

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

BARNEGAT SCHOOL DISTRICT

DONALD T. DiFRANCESCO

Acting Governor

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NOVEMBER, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Barnegat School District

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more

communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county, or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed elected officials, as well as employees, appointees, members of the public, contractors, and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code, independent reports, recommendations previously developed for the governmental entities, and other relevant information. The review team physically visited and observed the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BARNEGAT SCHOOL DISTRICT**

Technology

The district should consider restricting regional, long distance, and international phone calls, saving \$1,500.

By replacing cellular phones with less expensive walkie-talkies, the district could save \$1,000.

The team recommends that the district utilize the state's cost-per-copy contract, saving \$12,927.

Instruction

After reviewing the special education teacher aides, the review team found that one full-time and two part-time aides were not required based on student enrollments. The team, therefore, recommends that the district not fill the paraprofessional aides' positions, saving \$42,820.

The team also recommends that the district eliminate one staff member from the child study team (CST) and one clerical position, saving \$62,500.

By reviewing the level of part-time staffing for the basic skills program and leveling per pupil costs to the Cost of Education Index average, the district could save \$38,160.

The district should consider reviewing the number of non-certified library technicians in regards to school enrollment. By reducing two part-time technician positions, the district could save \$20,000.

The team recommends that one part-time nurse position be reduced at the Cecil S. Collins School to match the similar enrollment and staffing at the middle school, saving \$16,000.

Facilities and Operations

The team recommends that the district reduce the operations staff by two positions, saving \$81,000.

Food Service

The district should consider using additional food service proposals to keep management fees at approximately \$14,000, saving \$6,500. The district should also consider arranging with the management company for permanent signs and dropping the annual fee, for an additional savings of \$940.

Collective Bargaining Issues

The team recommends that the district review the costs and the coverage of its current health benefits and consider switching to the State Health Benefits Program (SHBP), potentially saving \$154,000.

By renegotiating a 50% premium co-pay for the prescription plan and a 50% premium sharing for dental benefits, the district could potentially save \$370,400.

The team recommends that the district negotiate the elimination of extra longevity payments to employees on the basis of time served, potentially saving \$53,250.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE BARNEGAT SCHOOL DISTRICT**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology			
Restrict use of regional, long distance, and international phone calls	\$1,500		
Replace cellular phones with less expensive walkie-talkies	\$1,000		
Utilize state's cost-per-copy contract	\$12,927		
			\$15,427
Instruction			
Do not fill paraprofessional aides' positions	\$42,820		
Eliminate one staff member and one clerical position from child study team	\$62,500		
Level part-time staffing for the basic skills program	\$38,160		
Eliminate two part-time library technician positions	\$20,000		
Reduce one part-time nurse position at the Cecil S. Collins School	\$16,000		
			\$179,480
Facilities and Operations			
Reduce the operations staff by two positions	\$81,000		
			\$81,000
Food Service			
Use additional food service proposals to keep management fees at \$14,000	\$6,500		
Arrange with the management company to get permanent signs & drop annual fee	\$940		
			\$7,440
Collective Bargaining Issues			
Switch to State Health Benefits Program (SHBP)		\$154,000	
Negotiate a 50% premium co-pay for the prescription plan		\$215,100	
Negotiate a 50% premium sharing for dental benefits		\$155,300	
Eliminate extra longevity payments to employees based on time served		\$53,250	
Total Recommended Savings	\$283,347	\$577,650	\$283,347

COMPARISON OF BUDGET APPROPRIATION, STATE AID AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE BARNEGAT SCHOOL DISTRICT

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
*\$577,650 not included in savings of \$283,347.			
Total Amount Raised for School Tax			\$10,296,301
Savings as a % of School Tax			3%
Total Budget			\$28,802,162
Savings as a % of Budget			1%
Total State Aid			\$18,145,570
Savings as a % of State Aid			2%

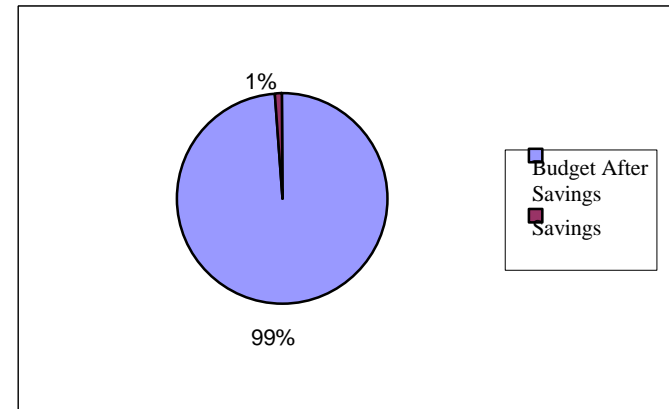
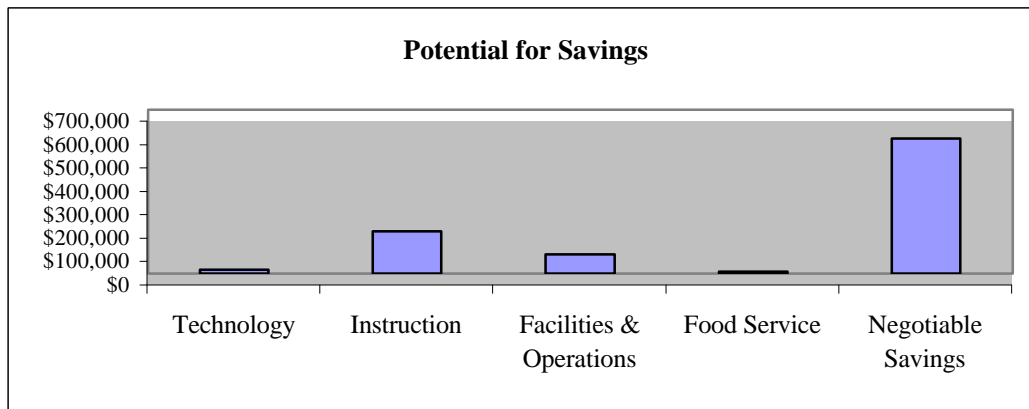


TABLE OF CONTENTS

Preface – Government That Works/Opportunities for Change
The Review Process
Executive Summary
Comparison of Cost/Tax Rate with Recommended Savings

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW	1
I. BEST PRACTICES.....	2
II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS	4
COMPARATIVE ANALYSIS.....	4
BOARD OF EDUCATION	8
ADMINISTRATION.....	9
TECHNOLOGY	12
INSTRUCTION.....	16
BUSINESS OFFICE OPERATION	32
SERVICE CONTRACTS	37
INSURANCE.....	38
FACILITIES AND OPERATIONS.....	38
TRANSPORTATION.....	44
FOOD SERVICE.....	48
III. COLLECTIVE BARGAINING AGREEMENT	5
MAINTENANCE AND CUSTODIAL.....	53
ADMINISTRATORS' CONTRACT	54
TEACHERS CONTRACT	56
CENTRAL OFFICE SUPPORT STAFF.....	58

COMMUNITY OVERVIEW

Barnegat Township is a residential shore community in southern Ocean County. As a political entity, it is over 150 years old. It encompasses almost 34 square miles with a population of 15,270 in 2000. In its early settlement, Barnegat was one of the leading seaports in the region. Barnegat had 5,193 residential properties and 111 commercial sites as of December, 2000. There were 3,250 planned adult community homes with preliminary or planning board approval. The 2000 median home value was \$148,281. The estimated tax bill on a home with median value was \$4,736.

The community is governed by a township committee of five. A township administrator handles the day-to-day direction of township business.

A new branch of the Ocean County library recently opened in Barnegat. The township has an extensive recreation program.

The 2000 U.S. Census data listed median household income in Barnegat as \$43,378. In 1989, 1,194 Barnegat residents were determined by census to be living in poverty. Approximately 70% of the adults are estimated to be high school graduates; 13% hold at least a bachelor's degree.

The Barnegat School District has grades pre-kindergarten through grade eight. The district enrolls 2,132 students and employs approximately 325 staff members. Barnegat has three elementary schools and one middle school. A fourth elementary school opened in September, 2001. High school students attending public school go to a regional high school located in a neighboring community. The Barnegat School District owns land in the township that could be used for a high school if the district decided to expand its operations to the high school level.

The district is classified in the "CD" District Factor Group by the New Jersey Department of Education. That grouping is categorized as "low-moderate" wealth. The Barnegat Schools are experiencing enrollment growth, which is projected to continue for some time. The enrollment increases have put a strain on district facilities.

The racial composition of the district in October, 1999 was reported as: White 92%, Black 3%, Hispanic 3%, Asian/Pacific Islander 1%. The rounding of percentages and a very small number of other categories caused the total to be less than 100%.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the best practices section. During the course of every review, each review team identifies procedures, programs, and practices which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Extended Year Program

The Barnegat District conducts a summer school that includes a special education program. This saves money since extended year programs are not reimbursed by the state. Further, tuition costs for extended year students would present greater expense if purchased outside the district. In addition, transportation costs to programs held outside of the district would be more costly than transportation to district locations.

Special Education Medicaid Initiative

The Barnegat schools participate in the Special Education Medicaid Initiative (SEMI). While total savings from SEMI involvement are not large, they do represent additional funds. Participation in the program by the Barnegat District demonstrates a cost-consciousness that is commendable.

Middle School Synergistics Program

The synergistics program at the Brachman Middle School impressed the team. This part of the curriculum provides middle school students with a two-year experience in a variety of technological areas. Using video equipment, computers, and print texts, the program provides students with experience such as: audio and video broadcasting, flight technology, meteorology, electronics, graphic communications, and applied physics.

The lab is also available for faculty use two periods per day to utilize the computers for Internet access and word processing. This full-time space and equipment utilization creatively promotes efficiency, as well as makes specialized equipment more available for a variety of curricular uses. The program seems to generate good student involvement while providing career information in an interesting and relevant way to students.

Edwards School Family/Student Lunch Program

The Edwards School has a family-student lunch program through which family members may have lunch at the school with students. This no cost approach fosters positive school-family relations while enabling family members an opportunity to sample the district's school lunch

program. These visits by a variety of adults also provide feedback to school authorities concerning many facets of the food program. This effort seems to be an effective and cost-free way to obtain valuable information for both parents and school.

Half-Day Staff Coverage

The district's use of full-time staff members on a half-day basis to cover the basic skills, reading recovery, art, computer lab, or kindergarten program is an effective cost-saving practice.

Student Assistance Program

The Barnegat Township Schools' Student Assistance Program is available to all students who are experiencing personal, family, and/or substance related problems. The purpose of the program is to identify students with possible problems and to assist them quickly. Prevention is a key component of the overall program. CORE teams in each building, comprised of staff members with varied job responsibilities within the school, meet monthly to suggest ways to help students with school problems related to alcohol or other drug use.

The district has adopted and implemented an age and grade appropriate comprehensive drug and violence prevention program. These activities are designed to: 1) provide instruction in peer pressure resistance skills; 2) prevent violence and develop conflict resolution techniques and promote school safety; and, 3) encourage the involvement of parents and program coordination with community groups and agencies. The program identifies resources and services within the school and provides the students with staff members and parents who can be a supporting part of their lives.

The Barnegat School District has won recognition from the U.S. Department of Education for its anti-drug programs.

Additional program information can be found in the findings and recommendations section of this report.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found that the district makes a conscious effort to control costs and to explore areas of cost-saving efficiencies in its operations. Some of these are identified in the best practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control, and revenue enhancement.

COMPARATIVE ANALYSIS

Many of the recommendations contained in this report are based upon comparative analyses using New Jersey Department of Education data in comparison with districts of similar size and demographics (socioeconomic district factor groups – DFG). The comparative data used in this report, which was compiled for the 1998-99 school year, was current at the time of the review. Other data sources were used, such as district documents, various state agencies, state education associations, publications, and private industry. School districts used for comparison with the Barnegat School District include: Plumstead, Sussex-Wantage, Somers-Point, and Hamilton (Atlantic County). The following tables illustrate much of the data used:

**COMPARISON OF REVENUES
BASED ON AUDIT REPORT AS OF JUNE 30, 1999**

Revenues	<u>Barnegat</u>		<u>Plumstead</u>		<u>Sussex-Wantage</u>		<u>Somers Point</u>		<u>Hamilton</u>	
General Fund										
Local Tax Levy	\$9,925,163	33%	\$4,208,104	28.6%	\$7,352,171	46.6%	\$5,002,562	45.0%	\$8,622,022	35.9%
State Aid	\$17,139,374	57%	\$6,865,198	46.7%	\$6,920,694	43.9%	\$3,613,920	32.5%	\$9,631,201	40.1%
Federal Aid	\$0	0.0%	\$942,620	6.4%	\$0	0.0%	\$2,266	0.0%	\$32,177	0.1%
Tuition	\$0	0.0%	\$7,343	0.0%	\$239,015	1.5%	\$0	0.0%	\$0	0.0%
Miscellaneous	\$1,001,661	3.3%	\$515,440	3.5%	\$240,963	1.5%	\$166,452	1.5%	\$182,132	0.8%
Total General Fund	\$28,066,198	93.3%	\$12,538,705	85.2%	\$14,752,843	93.5%	\$8,785,200	79.0%	\$18,467,532	76.9%
Special Revenue Fund										
State Aid	\$255,471	0.9%	\$90,813	0.6%	\$200,669	1.3%	\$385,729	3.5%	\$1,200,867	5.0%
Federal Aid	\$482,954	1.6%	\$198,347	1.4%	\$343,275	2.2%	\$287,143	2.6%	\$683,710	2.8%
Other	\$0	0.0%	\$0	0.0%	\$2,348	0.0%	\$188	0.0%	\$0	0.0%
Total Special Revenue Fund	\$738,425	2.5%	\$289,160	2.0%	\$546,292	3.5%	\$673,060	6.1%	\$1,884,577	7.8%
Debt Service Fund										
Local Tax Levy	\$371,138	1.2%	\$940,069	6.4%	\$343,319	2.2%	\$1,089,228	9.8%	\$1,915,507	8.0%
State Aid	\$750,726	2.5%	\$919,727	6.3%	\$121,744	0.8%	\$501,318	4.5%	\$1,757,252	7.3%
Total Debt Service Fund	\$1,121,864	3.7%	\$1,859,796	12.7%	\$465,063	3.0%	\$1,590,546	14.3%	\$3,672,759	15.3%
Fiduciary Fund Type										
State Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other	\$0	0.0%	\$4,240	0.0%	\$0	0.0%	\$9,273	0.1%	\$0	0.0%
Total Fiduciary Fund	\$0	0.0%	\$4,240	0.0%	\$0	0.0%	\$9,273	0.1%	\$0	0.0%
Capital Projects										
Other	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$54,242	0.5%	\$0	0.0%
Total Capital Projects	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$54,242	0.5%	\$0	0.0%
Total Revenue	\$29,926,487	99.5%	\$14,691,901	99.9%	\$15,764,198	100%	\$11,112,321	100.0%	\$24,024,868	100.0%

Source: School districts' 1998-99 CAFR and NJ Department of Education [Comparative Spending Guide](#) 1999.

NOTE: State aid in general fund contains non-budgeted revenue items of On Behalf Payment for TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions. These non-budgeted revenues are offset by the general fund expenditure.

Revenue to fund the district budget during the 2000-01 school year came from these sources: 59% state, 37% local, 2% federal, and 1% free balance. Rounding of some percentages results in the total being less than 100%. The district had \$452,562 in excess of the statutory maximum of 6% of the total budget. By law the surplus monies have to be appropriated for tax relief in the ensuing budget.

Comparison of General Fund Expenditures *

Actual	Barnegat		Plumstead		Sussex-Wantage		Somers Point		Hamilton	
Regular Program – Inst.	\$5,767,387	21.4%	\$2,725,689	23.9%	\$5,065,043	34.6%	\$3,178,939	35.2%	\$5,643,521	31.0%
Special Education	\$1,160,558	4.3%	\$371,032	3.3%	\$2,015,678	13.8%	\$648,382	7.2%	\$1,553,161	8.5%
Basic Skills-Remedial	\$237,167	0.9%	\$159,572	1.4%	\$73,510	0.5%	\$261,135	2.9%	\$177,023	1.0%
Bilingual Education	\$0	0.0%	\$552	0.0%	\$0	0.0%	\$9,032	0.1%	\$84,999	0.5%
Sponsored Co-curricular Activities	\$24,210	0.1%	\$29,786	0.3%	\$43,769	0.3%	\$18,775	0.2%	\$70,596	0.4%
Sponsored Athletics	\$45,410	0.2%	\$27,138	0.2%	\$0	0.0%	\$22,012	0.2%	\$0	0.0%
Other Instruction Prog.	\$32,832	0.1%	\$1,993	0.0%	\$135,996	0.9%	\$0	0.0%	\$10,297	0.1%
Community Services Prog.	\$0	0.0%	\$38,159	0.3%	\$0	0.0%	\$21,765	0.2%	\$24,111	0.1%
Total Instructional Cost	\$7,267,564	27.0%	\$3,353,921	29.4%	\$7,333,996	50.1%	\$4,160,040	46.0%	\$7,563,708	41.6%
Undistributed Expenses-	\$9,668,993	35.9%	\$3,869,320	33.9%	\$254,528	1.7%	\$424,006	4.7%	\$952,705	5.2%
Instructional-Tuition Out of District										
General Administration	\$584,886	2.2%	\$334,408	2.9%	\$368,542	2.5%	\$275,240	3.0%	\$440,507	2.4%
School Administration	\$798,856	3.0%	\$342,964	3.0%	\$589,567	4.0%	\$392,026	4.3%	\$819,336	4.5%
Total Administ. Cost	\$1,383,742	5.2%	\$677,372	5.9%	\$958,109	6.5%	\$667,266	7.3%	\$1,259,843	6.9%
Food Service	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$10,580	0.1%	\$0	0.0%
Health Service	\$209,667	0.8%	\$73,701	0.6%	\$192,109	1.3%	\$101,274	1.1%	\$191,917	1.1%
Attendance & Soc. Work Service	\$18,350	0.1%	\$19,494	0.2%	\$0	0.0%	\$14,703	0.2%	\$15,849	0.1%
Students Related & Extra Service	\$155,096	0.6%	\$176,032	1.5%	\$154,251	1.1%	\$77,445	0.9%	\$92,711	0.5%
Other Support Service	\$712,710	2.6%	\$279,936	2.5%	\$1,038,500	7.1%	\$360,225	4.0%	\$731,638	4.0%
Other - Imp. of Inst. Service	\$48,099	0.2%	\$42,047	0.4%	\$52,619	0.4%	\$86,677	1.0%	\$36,715	0.2%
Media Serv./Sch. Library	\$397,113	1.5%	\$49,219	0.4%	\$268,812	1.8%	\$212,245	2.3%	\$158,790	0.9%
Instructional Staff Training Service	\$6,673	0.0%	\$0	0.0%	\$0	0.0%	\$3,207	0.0%	\$15,191	0.1%
Operation of Plant	\$1,797,445	6.7%	\$860,774	7.5%	\$952,838	6.5%	\$728,743	8.1%	\$1,971,586	10.8%
Business & Other Support Service	\$188,269	0.7%	\$147,348	1.3%	\$224,927	1.5%	\$189,209	2.1%	\$620,127	3.4%
Total Support Services	\$3,533,422	13.2%	\$1,648,551	14.4%	\$2,884,056	19.7%	\$1,784,308	19.7%	\$3,834,524	21.1%
Unallocated Benefits	\$2,169,060	8.1%	\$713,551	6.3%	\$1,898,630	13.0%	\$1,086,851	12.0%	\$1,584,770	8.7%
TPAF Pension Contribution	\$367,346	1.4%	\$199,490	1.7%	\$0	0.0%	\$238,482	2.6%	\$434,593	2.4%
Reimb. TPAF SS Contrib.	\$613,642	2.3%	\$260,227	2.3%	\$0	0.0%	\$366,727	4.1%	\$655,893	3.6%
Transportation	\$1,241,494	4.6%	\$617,796	5.4%	\$1,168,594	8.0%	\$190,930	2.1%	\$1,623,207	8.9%
Capital Outlay	\$693,932	2.6%	\$60,786	0.5%	\$132,821	0.9%	\$123,704	1.4%	\$294,438	1.6%
Special Schools	\$2,680	0.0%	\$1,400	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Gen. Fund Expend. **	\$26,941,875		\$11,402,414		\$14,630,734		\$9,042,314		\$18,203,681	
Avg. Daily Enrollment	2,135		977		1,231		1,735		2,577	

Source: School districts' 1998-99 CAFR and N.J. Department of Education [Comparative Spending Guide 1999](#)

*Differences exist between the comparison school districts and how actual expenses are categorized and reported.

**Rounding of some percentages results in some totals slightly more or less than 100%.

In terms of per pupil expenditures and staffing data, the district is generally mid-range when compared with the other four districts. The median salary of Barnegat administrators is \$75,056, which falls in the middle among the comparison districts. Barnegat also falls in the middle of the five districts in “students per administrator” and “students per teacher” ratios. The median salary of Barnegat teachers is \$41,330 which is the second lowest in the comparison group.

Analysis of Similar Districts Using Per Pupil Expenditures and Staffing Data

<u>Indicators</u> DFG	<u>Barnegat</u> CD	<u>Plumstead</u> CD	<u>Somers Point</u> CD	<u>Sussex-Wantage</u> CD	<u>Hamilton</u> DE
Total Cost Per Pupil	\$6,801	\$6,434	\$6,332	\$7,525	\$5,898
Total Classroom Instruction	4,030	3,744	4,008	4,168	3,724
Classroom Salaries & Benefits	3,725	3,418	3,790	4,011	3,500
Classroom General Supplies & Textbooks	199	167	214	154	210
Classroom Purchased Services & Other	91	160	3	3	15
Total Support Services	871	777	840	1,025	615
Support Services, Salaries & Benefits	743	693	773	876	533
Total Administrative Cost	849	910	778	672	653
Salaries & Benefits for Administration	690	792	556	517	460
Operations & Maintenance of Plant	899	893	654	545	827
Salaries & Benefits for Oper./Maint. of Plant	347	212	419	288	404
Food Service	0	0	9	0	32
Extracurricular Costs	38	59	37	25	32
Equipment	40	52	16	134	37
Median Teacher Salary	\$41,330	\$42,068	\$43,106	\$43,294	\$35,681
Student/Support Service Ratio	79.5	120.4	113.3	77.9	113.2
Median Support Service Salary	\$38,750	\$39,368	\$48,156	\$52,404	\$40,963
Student/Administrator Ratio	213.2	164.6	178.0	248.1	259.2
Median Administrator Salary	\$75,056	\$86,958	\$68,275	\$96,295	\$66,748
Faculty/Administrator Ratio	17.4	12.1	13.5	21.7	19.9
Student/Teacher Ratio	14.5	15.4	14.9	13.4	14.7

Source: New Jersey Department of Education (DOE) Comparative Spending Guide 1999 for school year 1998-99. The total cost per pupil here is calculated as the total current expense budget plus certain special revenue funds, particularly early childhood programs, distance learning costs, and instructional supplement costs related to servicing the pupils on roll in the district (resident students plus those received from other districts less those sent out of the district) that are considered comparable among school districts. The calculation excludes the local contribution to special revenue, tuition expenditures, and interest payments on the lease purchase of buildings, transportation costs, residential costs, and judgements against the school district. Also excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state and federal grants, and debt service expenditures.

The New Jersey Department of Education publications Comparative Spending Guide March, 1999 and 2000 rank districts on a number of key elements as listed in the following table:

Barnegat Per Pupil Costs and District Rankings Among 91 K-8 Districts With Enrollments in Excess of 751 Pupils								
Ranked Low Cost (1) to High Cost (91)	1996-97		1997-98		1998-99		1999-00	
	Actual	Ranking	Actual	Ranking	Actual	Ranking	Actual	Ranking
Cost Per Pupil	\$6,991	54	\$7,050	40	\$6,754	37	\$7,424	50
Classroom Instruction	\$4,303	46	\$4,251	45	\$4,030	27	\$4,908	59
Classroom Salaries & Benefits	\$3,983	41	\$3,931	38	\$3,725	15	\$4,547	57
General Supplies & Textbook	\$275	82	\$262	79	\$199	50	\$264	79
Purchased Services & Other	\$45	42	\$59	73	\$91	79	\$86	82
Support Services	\$696	66	\$681	31	\$ 871	48	\$822	29
Support Serv. Salaries & Benefits	\$593	57	\$503	17	\$743	44	\$682	29
Total Administrative Cost	\$913	49	\$759	21	\$849	44	\$772	24
Salaries & Benefits for Admin.	\$712	41	\$586	15	\$690	47	\$602	22
Operations & Maint.	\$988	81	\$824	62	\$899	76	\$882	73
Sal. & Benefits for Operat./Maint.	\$345	43	\$282	21	\$347	38	\$326	28
Food Service	\$0	0	\$213	36	\$0	0	\$0	0
Extracurricular Costs	\$34	35	\$30	26	\$38	35	\$40	28
Median Teacher Salary	\$39,600	18	\$40,295	18	\$41,330	26	\$42,615	34
Median Support Service Salary	\$41,600	20	\$39,675	12	\$38,750	7	\$39,905	5
Median Administrator Salary	\$69,181	21	\$72,885	24	\$75,056	27	\$77,243	27
Ranked High Ratio to Low								
Student/Administrator Ratio	171	65	232	6	224	14	209	35
Faculty/Administrator Ratio	14	68	17	34	17	30	18	23
Source: 1999, 2000, and 2001 NJDOE Comparative Spending Guide Total of 91 School Districts								

New Jersey average total cost per pupil in 1998-99 was \$7,163. Barnegat's total cost was \$6,754. In 1999-00, the state average was \$7,424, identical with that in Barnegat.

LGBR reviewed the Barnegat Schools' expenses for the four-year period, school year 1996-97 through 1999-00, in comparison with 91 K-8 districts throughout the state with enrollments in excess of 751 pupils. The New Jersey Department of Education Comparative Spending Guides was the data source for these comparisons.

Barnegat's costs in a variety of spending dimensions were examined. These included: total cost per pupil, classroom salaries and benefits, support services, including salaries and benefits, total administrative costs, administrative salaries and benefits, operation and maintenance, and extracurricular costs. Specific comparisons may be made using the chart data. LGBR feels that it is significant that over the period studied Barnegat's costs were generally below average for the categories mentioned. In a number of these categories the district's expenditures were in the lowest third of the comparative districts.

In only three categories, Barnegat consistently spent above average for its grade organization and size: purchased services and other expenses, which is not a large amount when compared with the total budget; general supplies and textbooks averaged \$250 per year (the third lowest expenditure of the per pupil costs list categories). The total operations and maintenance category was consistently above average in expenditures. The reasons for this are reported in the findings and recommendations section of the report.

While it is true that Barnegat District expenditures have generally been lower than those of the comparative districts, LGBR acknowledges that relative low costs are still costs. Taxes still must be raised and those who pay the taxes must sacrifice to enable the schools to do their work.

BOARD OF EDUCATION

The Barnegat Board of Education is comprised of nine elected members.

Despite some controversy and a history of turnover in board membership, the board of education seemed determined to regain focus and build team spirit during the time LGBR was in the district.

Board of education expenses were reviewed and seemed appropriate regarding amount and areas of expense. The largest costs were for mandated dues to the New Jersey School Boards Association.

Board of education policies were reviewed. About one-half of the policies were of recent vintage originating in the mid-to late-1990's. The other half of the policies were very old, many developed in the mid-1970's. As an example, the job description for the superintendent of schools dated to September, 1980. Perhaps during the recent search for a new superintendent the job description was reviewed. It would be of value for the district to review its older policies in

order to ensure that they comply with current laws, regulations, and district needs. Commercial organizations are available which can provide these review services that may be too time-consuming for district personnel.

The job responsibilities and benefits for the district's confidential secretaries are detailed in board of education policy. This is an appropriate personnel measure. The nature of work these employees do excludes them from participation in employee unions. Fairness dictates that confidential employees receive as detailed written description of their benefits and rights as staff represented by employee unions. Care should be taken to ensure that documentation of non-represented employee rights and benefits are kept current and accurate.

An issue raised during the board of education interviews was the desire for the most current possible cost data from state and state school board sources. The provision of the most recent date would greatly aid in salary negotiations.

ADMINISTRATION

During the time that the LGBR study was conducted, the district's central administrative staff was composed of a superintendent, who also had the job responsibilities of the school business administrator, an assistant to the superintendent/director of curriculum, and a board of education secretary. In locations other than the board of education offices were the following administrators with district-wide responsibilities: the director of special education, the transportation coordinator, and the supervisor of operations.

Several years ago, the superintendent of schools assumed the duties of both the chief school administrator and the business administrator. In payment for his business administrator services, he received a stipend in addition to his superintendent's salary.

As this report was being prepared, LGBR learned that the Barnegat Board of Education had appointed a replacement for the superintendent, who was retiring. LGBR feels that the district needs to have a full-time business administrator. This arrangement would permit the superintendent of schools to devote more time to the overall direction of the Barnegat Schools. Finances are a major part of district operations and Barnegat would benefit from having someone overseeing the budget full-time. This district's 1998-99 budget was almost \$27,000,000. With the addition of a new elementary school, district employees could reach 350 or more. The complexities of business office operations and financial planning present real challenges. These are some of the reasons for LGBR's recommendation.

The State of New Jersey's Comprehensive Plan for Educational Improvement and Financing allocates 11 central administrators for a district the size of Barnegat, which had nine central administrative and supervisory staff at the time of LGBR's visit. The New Jersey Department of Education cost figures for administrative salaries and benefits include administrators at all levels. The combined salaries and benefits for all Barnegat administrators place the district in the mid-

range of the 92 districts with K-8 enrollments in excess of 751. The \$723 per pupil spent on salaries and benefits for all administrators is \$67 per student less than the median cost for all New Jersey districts.

The entire district central administrative clerical staff, curriculum office, child study team, transportation office, and building operations office is comprised of 16 people. The Comprehensive Educational Improvement Finance Act recommendations, modified to reflect a K-8 district Barnegat's size, would result in a central clerical staff of 11. Even allowing for some clerical needs without regard to district enrollment, it appears to LGBR that through realignment of duties the district could eliminate two central clerical positions.

The district will be opening a new elementary school in September, 2001. It is possible that existing staff could be transferred to the new school, thereby permitting staff reductions without costing current staff members their jobs.

The Barnegat Schools' clerical salary schedules are moderate when contrasted with some of the comparative districts. However, health benefit costs are part of all staff costs, and these are significant.

The New Jersey Department of Education's Comparative Spending Guide placed Barnegat's student/administrator ratio in the lower third of its K-8 grouping. Administrative salary and benefit costs for Barnegat for the 1999-00 school year, as reported by the Comparative Spending Guide, show the Barnegat median salary is in the lower quartile of administrative salaries when compared to its grade and enrollment groupings. These administrative comparisons in the Comparative Spending Guide are not separated between building level and central office staff.

LGBR reviewed the administrative and clerical staffing for the Edwards, Dunfee, and Collins Elementary Schools, as well as for the Brackman Middle School. The number of administrative and clerical personnel assigned to each school was compared with recommendations in the New Jersey Department of Education's 1995 Comprehensive Plan for Educational Improvement. The comprehensive plan staffing numbers are adjusted to reflect actual school enrollments in the chart below:

NJDOE Comprehensive Plan Hypothetical District Enroll	Elementary 500	Elementary 500	Elementary 500	Middle School 675
Barnegat May, 2000 Enrollment	Edwards 117	Dunfee 446	Collins 763	Brackman M.S. 739
Staffing:				
Principal				
Comprehensive Plan	1	1	1	1
Actual May, 2000	1	1	1	1
Assistant Principal				
Comprehensive Plan	0	0	.5	1
Actual May, 2000	0	0	1	2
Clerical				
Comprehensive Plan	1	2	3	3
Actual May, 2000	2	2.5	4	3.5

Based on the above information, it appears to LGBR that the following conclusions can be drawn regarding possible future staffing savings.

The Edwards School is inherently inefficient since its small enrollment forces a high administrative/clerical overhead relative to its size. Perhaps redistricting in September, 2001 for the new elementary school will allow elimination of the assistant principal position at the Collins School, or at least a change it to a part-time position. The Collins School also has one more clerical staff member assigned than the Comprehensive Plan for Educational Improvement and Financing suggests as appropriate. Through staff reassignments due to the new school it may be possible to transfer one secretary from the Collins School. The Brackman Middle School has one more assistant principal than would be expected based on the state's comprehensive plan.

Recommendations:

LGBR recommends that the board of education review its long-term non-instructional personnel needs, both clerical and administrative, in light of the data presented in this section.

As described above, some clerical and assistant principal positions might be reduced or transferred through staff reassignments. This would result in significant savings since both salary and benefit costs would be reduced.

LGBR also recommends that as a part of its personnel review, the Barnegat Board of Education consider employment of a full-time business administrator. The value added cost of such an addition could range from approximately \$12,000, if the business administrator also assumed the work of the board of education secretary, to approximately \$92,000 if a business administrator was added and the existing assistant board secretary's position was continued. Other arrangements in terms of numbers of staff and workweek would result in costs between the \$12,000 and \$92,000 amounts.

TECHNOLOGY

Communications

In the 1998-99 school year, the district spent \$85,100 for communication and telephone expenses. The district experienced an increase of over 15% in expenses from the 1997-98 school year. The major reason for the increase was added T1 lines and fiber optics.

Total Communications/Telephone Expenses			
1995-96	1996-97	1997-98	1998-99
\$61,545	\$56,192	\$72,202	\$85,100

The following chart shows the communication/telephone expenses for the 1997-98 and 1998-99 school years of the comparison school districts. In comparing communication expenses to those of the comparison school districts, for the 1998-99 school year, Barnegat's communication expenses were the second highest among the five, after those of the Hamilton School District.

Comparison Schools Communication/Telephone Expense 1997-98 and 1998-99		
Comparison Districts	1997-98	1998-99
Barnegat	\$72,202	\$85,100
Plumstead	\$27,408	\$24,771
Somers Point	\$36,530	\$42,270
Sussex Wantage	\$33,578	\$44,830
Hamilton	\$73,292	\$87,955

During the 1999-00 school year, Barnegat School District employees made approximately 11,000 phone calls each month, including calls to other states. District employees used local and national directory assistance calls, as well as *69 (caller number retrieval) calls. These calls averaged approximately 250 per month for a monthly cost of \$140. The district does not have a call block feature on its 100 telephone lines. A copy of the telephone bills are sent to all department supervisors. The supervisors have all employees reimburse the district for non-business-related calls. The district recorded approximately \$1,000 in reimbursement of employee calls during the 1999-00 school year.

The district acknowledges that the current telephone system is inadequate for its future growth needs. The Barnegat schools have sought proposals for service and equipment changes. The district is also monitoring its phone bills and currently is working to reduce these costs.

The Barnegat Public Schools signed a contract in May, 1999 to participate in Verizon Access New Jersey program. The district has also received awards from the federal e-rate program with an eligibility discount of 46%. The district is to be commended for its participation in both programs.

Recommendation:

LGBR recommends that the district consider restricting regional, long distance, and international phone calls. The telephone company has the ability to block these types of calls when the customer has over 50 phone lines. An exception can be made for supervisors and administrators. LGBR recommends that the district restrict the use of directory

assistance and *69 (caller number retrieval) calls. The phone company provides phone directories for each phone. In addition, the district could install CD-ROM phone directories on its computer network with employee access.

Cost Savings: \$1,500

Cellular Phones

The district has three cellular phones. The building and grounds supervisor uses one, the attendance officer at the Brackman Middle School uses the second, and the Collins elementary principal uses the third. The monthly fees associated with the cellular service expense vary from \$33.70 to \$117.02. This equates to approximate annual costs of \$1,000 per year. The costs associated with cellular phones typically require the user to remain in the plan for one year. The team feels that cellular phones could be replaced with walkie-talkies. Walkie-talkies are a one-time cost versus the cellular phone monthly costs. Another option the district might consider is reimbursing employees who use their own cellular telephone on a per call basis.

Recommendation:

The district should consider replacing the use of cellular phones, which average annual costs of \$1,000, with less expensive walkie-talkies.

Cost Savings: \$1,000

Pagers

The district paid annual rental expense for 16 pagers for the plant operations staff in the amount of \$620. This costs \$3.23 per month per pager. The district has not experienced any service or billing concerns with the service provider. The team felt that the number of pagers and the expenses associated with them were reasonable.

Coin Operated Phones

The Barnegat School District has three coin-operated pay phones in the district. Students, employees, and the community utilize these phones. One phone is located at the Collins School, one at Dunfee School, and one at Brackman Middle School. The district is billed a monthly service fee for the phones. The phone company provides telephone maintenance. The annual cost for the 1999-00 school year was \$2,393. This equates to approximately \$798 a year per phone. The team recommends that the district negotiate with the telephone service provider for reduced fees.

Photocopiers

The Barnegat School District owns and/or leases 26 photocopiers. The district leased eight photocopiers in 2000-01 with annual costs of \$24,624. LGBR compared the list of photocopiers on the maintenance insurance coverage to the leasing cost list. During this review of comparative data, the team noted that of the 18 photocopiers owned by the district, there were seven photocopiers that were approximately eight years old or older, and six that were five years old or older.

Photocopier Listing by Location

Location	# of Photocopiers	(#)/Cost of Lease	Annual Cost of Maintenance Service and Insurance Coverage
Central Office	3	(1) \$5,379	\$5,850
Collins	5	(3) \$10,893	\$10,975
Brackman	6		\$12,829
Edwards	4	(1) \$2,088	\$4,405
Dunfee	4	(1) \$2,088	\$6,095
Transportation	1		\$410
Child Study Office	2	(2) \$4,176	\$3,795
Warehouse	1		\$390
Total	26	(8) \$24,624	\$44,749

LGBR compared the cost of leasing to cost-per-copy contracts, which entitle the user to pay for photocopies, rather than lease the photocopier equipment. In this arrangement, the vendor provides the school district with a copier. Cost-per-copy contracts include setup, technical assistance, maintenance, and supplies, excluding staples and paper which are included in the monthly fee. This fee varies according to the monthly number of copies. A vendor's base cost-per-copy contract is a three-year agreement, while many lease-purchase agreements extend for five-year terms. While LGBR was in the district it was noted the district did not have internal controls established for photocopier use.

The district's five leased copiers appeared to be low to moderate volume photocopiers. Under the state's cost-per-copy contract the district could make a monthly maximum of 7,500 copies at a cost of \$95.63 per month. The additional copies over the monthly maximum are charged at the rate of \$0.13 per copy. The annual cost for five low to moderate volume photocopiers would be \$5,738. The district is currently paying \$10,439 per year by using private vendors.

The district's three leased high-volume photocopiers, under the state's cost-per-copy contract, could make a monthly maximum of 18,000 copies at a cost of \$166.50 per month. Additional copies over the monthly maximum are charged at the rate of \$.09 per copy. The annual cost for three high-volume photocopiers would be \$5,994. The district is currently paying \$14,185 per year by using private vendors.

Recommendation:

LGBR recommends that the district perform a thorough analysis of its photocopying needs. A complete inventory of photocopiers should be developed and kept current. LGBR recommends that the district consider using the state's cost-per-copy contract for its photocopying needs. After analyzing the cost of the eight leased photocopiers, we estimate this could result in potential savings of \$12,927. The team suggests that the district consider replacing, as needed, the 13 photocopiers currently used in the district that are five or more years old with the state's cost-per-copy contract service. LGBR recommends that internal controls for the use of photocopiers be developed and implemented for copier use by district employees.

Cost Savings: \$12,927

Educational Technology

Barnegat Township Schools are moving to infuse educational technology into the district's instructional program with particular emphasis on all aspects of the New Jersey's Core Curriculum Content Standards. This expansion is being incorporated into teaching techniques that will expand the diversity of curricula in all the district schools. The district's distance learning and technology plan was prepared for the years 1997-02 and was revised/resubmitted in May, 1999. These revisions updated planning for training of personnel, equipment compatibility, curriculum integration, resource materials, architectural requirements-modifications, networking, and financial/budgetary matters. A district wide planning committee consisting of administrators, teachers, parents, business/community members, and students developed the plan. Their primary intent was to ensure that the students and teaching staff had access to technology and to ascertain that it was used as an effective instructional tool. The plan is reviewed biennially and revisions are approved by the board of education. A new elementary school is presently under construction and revisions to the plan include the ordering of new equipment and materials for the planned September, 2001 school opening. All district goals/objectives and implementations relate to the county's distance learning and technology plan. Major objectives of the plan are to update computer hardware, increase the use of technology in the classroom, and ensure availability for Internet access and video conferencing.

The district has employed a district computer consultant who is responsible for the growth and implementation of the plan. He provides leadership in the use of computers and related technology and works collaboratively with schools and other administrative departments to ensure the effective use of technology. This responsibility includes the acquisition of hardware and software, maintenance of district network and data back-ups, district mail accounts, Internet services, training and support, and appropriate implementation and use of equipment. One secretary housed at the board of education administrative offices provides clerical assistance and monitors the local area network for the district. In addition, a 10-month district-wide technology educator/technician oversees the middle school synergistic program, coordinates program areas, and trains each school's computer lab teaching staff members (five full-time and one part-time). School administration in-house computer services include secretarial staff training on computer usage, general accounting and budgeting, student scheduling, student information database, daily attendance, and test scoring.

Funds to support the technology efforts of the district come from the following sources: IKE Math and Science Grant, Title VI, Goals 2000 Grant, Technical Literacy Grant, Distance Learning Network Aid, Bell Atlantic Telephone Company, and the district's local budget resources. These funds are primarily applied to equipment and technology training.

The district purchases all computers through the state contract. The district feels that purchasing via the state contract offers the best way to maintain uniformity for all district computers. Various maintenance contracts were purchased to prevent downtime and to protect the initial investment in computing hardware. These contracts are renewed to ensure present and future programs and plans.

Each of the district schools has an automated center which includes a server computer, 10 Base T hub, router, wiring, and interfaces for its local area network (LAN) along with the appropriate

equipment to support the wide area network (WAN). Two elementary schools have one computer lab and one elementary school has two computer labs. The middle school supports two computer labs, one applied technology lab (Synergistic) and four mini science labs to supplement the general science curriculum for grades 7 and 8. All of the schools have Internet access, which includes computer labs, library/media centers, certain classrooms, and administrative offices. Distance learning is available in all schools, however, a broad array of programs and services are not yet readily accessible. Planning and budgeting for a computer lab, library/media center, school offices, and an automated center for the new elementary school has been accomplished. The district's overall technology goals call for an infrastructure to support video conferencing, computer networking, electronic mail, library data searches, and a district website.

Professional development is crucial to effective technology implementation and must be based on teachers' curricular needs. Incorporated within the district's technology plan is a technology staff development plan with primary emphasis on Internet training. Plan topics include Internet access, using the router, setting filters and safe sites, monitoring students, using E-mail, and doing research. The district has also developed policy and guidelines regarding Internet access and usage which includes an Internet Agreement Contract that student and parents must sign. With the completion of the "how to use" facet almost accomplished, an equally important component is the way teachers use the technology so it can be a tool to improve instruction. Many teachers have begun to use multimedia technology more widely. However, it takes sustained professional development and training over a period of time before teachers are comfortable using technology.

Recommendations:

Based on the district's educational technology mission and given the numbers of computers in classrooms, as well as computer labs, support for future staff development on properly training the teaching staff to infuse the technology into the instructional process should continue. Administrators must be supportive and provide opportunities for teachers to use technology.

The district should investigate computer purchasing through means other than the state contract, which is convenient, but may not offer the most economical means to acquire expensive technology.

INSTRUCTION

The Barnegat Public Schools have a comprehensive curriculum. Staff at various levels review and develop curriculum materials. Some of the district's new programs are the result of state mandates.

As mentioned in the Comparative Analysis section, Barnegat's instructional costs fall in the mid-range, and sometimes lower, when compared with the 92 comparative K-8 districts.

Using information from the New Jersey Department of Education's Comparative Spending Guide 2000, Barnegat's class room salary/benefits cost per pupil was 18th lowest of the 92 K-8 New Jersey districts with enrollments in excess of 750. Barnegat's cost per pupil for classroom salary and benefits was \$603 below the state median for K-8 districts in the 1998-99 school year. The 1999-00 Barnegat median teacher's salary was \$42,615. The New Jersey K-8 median salary for that year was \$45,110. The same comparison for the 2000-01 year showed Barnegat's median to be \$42,115, while the statewide median K-8 was \$44,682.

The average student/teacher ratios for Barnegat, as reported in the 1999 and 2000 Spending Guides, place the district in the middle of the 92 K-8 districts for school years 1999-00 and 2000-01. It should be noted that the student/teacher ratio is not class size since the number also includes all other certificated staff in the district. In the 1999-00 school year, the ratio was 13.7 in comparison to the statewide K-8 ratio of 13.8. For the 2000-01 school year, Barnegat's ratio was 13.6, while the New Jersey average was 13.5.

One method of measuring learning programs is to assess student results on standardized tests. Fourth grade students are tested in language arts literacy, mathematics, and science using the New Jersey Elementary School Proficiency Tests. Eighth grade students receive testing in the same subjects area using the Grade Eight Proficiency Assessment.

Test results for each subject area assign students to one of three categories: partially proficient, proficient, and advanced proficient. "Partially proficient" scores mean that those students must be provided with some form of remedial help.

The following table displays the percentage of Barnegat students who scored at the "proficient" or "advanced proficient" level on the annual New Jersey Department of Education assessment tests.

GRADE FOUR

Language			Math		Science	
School	1999	2000	1999	2000	1999	2000
Collins	87.3%	79.6%	73.5%	92.9%	100%	100%
Edwards	76.5%	94.7%	82.3%	100%	94.4%	100%
Dunfee	71.4%	62.8%	68.1%	79.5%	98.5%	97.4%

GRADE EIGHT

Brackman

Middle School	96.74%	94.9%	79.4%	75.5%	No test	87.9%
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The school district did its own analysis of the Spring, 1999 test scores, comparing the Barnegat data to that of other socio-economically similar districts.

In the "CD" factor group, low-moderate wealth, which is Barnegat's classification by the New Jersey Department of Education, the district's percentage of fourth grade students scoring in the

highest two categories, “proficient” and “advanced proficient” was the third highest of 60 districts for the language arts literacy test. The Barnegat percentages were 17th highest for math, and 9th highest for science.

Eighth grade students were tested in math and language arts using New Jersey’s Grade Eight Proficiency Assessment. As with the fourth grade test, students are assigned to one of three assessment levels based on test scores. Compared with 58 other CD districts which had eighth grades, Barnegat had the third highest percentage of students in the combined “proficient” and “advanced proficient” categories in the language arts test. In math, Barnegat’s percentage of those scoring in the two highest categories was 4th highest of the CD comparison districts.

In addition to standardizing tests, other testing instruments such as criterion referenced tests and teacher devised tests may be used. Student work samples and other district designated evaluative measures may be employed.

Special Education

The special education program in the Barnegat Township School District is provided to all eligible students preschool to grade 8 throughout the district’s schools. The Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA) established four separate factors or tiers for special education categorical aid. Effective with the 1997-98 school year, the Application for State School Aid (ASSA) employed these new enrollment categories. Tier I provides funding for related services such as speech therapy, occupational therapy and physical therapy, while Tiers II, III and IV provide funding for special education programs (i.e., special classes and resource rooms).

Under the tier system, Barnegat’s ASSA report reflects numbers of special needs students on the roll as follows:

Barnegat Township School District Special Education Enrollments

Enrollment Category	1997-98	1998-99	1999-00
Tier II – Elementary School	96	93	77
Tier II - Middle School	72	71	56
Tier II - High School	13*	9*	5*
Tier III – Elementary School	21	23	51
Tier III - Middle School	9	12	31
Tier III - High School	2*		4*
Tier IV – Elementary School	5	13	18
Tier IV - Middle School	3	6	1
Tier IV - High School			
Regional Day School	1	3	4
Total	222	230	247
District Enrollment	2,123	2,161	2,108
Special Education Percent	10.5%	10.6%	11.7%

Source: Application for State School Aid (ASSA)

*High School aged students receiving instruction in district.

The overall number of students with disabilities has increased since 1997-98 to the current level of 11.7% classified, but remains below the state average of 12.8% for the 1999-00 school year.

Classified students are eligible to receive aid for up to four services under Tier I of the special education aid formula. Student counts were as follows:

Tier I Students - Related Services

Related Services	1997-98	1998-99	1999-00
Speech Language Therapy	62	72	99
Occupational Therapy	31	42	52
Physical Therapy	20	23	26
Counseling	40	37	51
Other			2
Totals	153	174	230

Funding for students who are classified as “eligible for speech-language services” only, is incorporated into the Core Curriculum Aid. Consequently, these students are not counted here. The speech only enrollment numbers were 189 for 1997-98; 211 for 1998-99; and 163 for 1999-00 based on the district’s Special Education Annual Data Report.

Although the elementary district is the subject of this report, it should be noted that Barnegat Township high school aged students attend Southern Regional High School on a tuition basis. The high school child study team has complete responsibility for all educational programs, related services, and out of district placements of Barnegat’s high school learning-disabled student population. The high school special education enrollment of Barnegat students was 90 students in 1997-98; 111 students in 1998-99; and 128 students in 1999-00 based on the district’s ASSA reports.

The chart below covers special education elementary (PK-8) staffing for the past three years:

Special Education Staffing

Staffing Positions	1997-98	1998-99	1999-00
<i>Special Education Teachers/Aides</i>			
Special Class Teachers	10.5	12	13
Resource Program Teachers	13	14.5	15.5
Preschool Teachers	1.5	1	1
Teacher Aides	<u>12</u>	<u>13</u>	<u>17</u>
Total	37	40.5	46.5
<i>Child Study Team</i>			
School Psychologists	2.5	3	3
Social Workers	2.5	3	3
LD-TCs	<u>3</u>	<u>3</u>	<u>3</u>
Total	8	9	9
<i>Speech/Language Specialists</i>	5	5	5

Source: Districts’ Special Education Annual Data Report and Staff/Payroll Lists.

The district's special education program options include special class programs, resource programs, and out-of-district placements. Other related services provided by the district include speech services, occupational therapy, physical therapy, medical services for diagnostic or evaluation purposes, and counseling.

Resource programs include in-class support and both pullout replacement and support type programs. The resource program in-class and replacement subjects include language arts, reading, spelling, mathematics, science, and social studies. Resource pull-out support classes reinforce the student's general education program requirements. Resource pull-out replacement programs provide for general education curriculum modifications based on the student's IEP. The resource program teacher has primary instructional responsibility for the student in the program and determines the student's report card grades and subject achievement. On the elementary level, single subject classes with no aides have an allowable group size of six students and the program may be provided for up to half of the school day. The replacement and support type programs conducted overall are on an approximate 50-50 basis district wide.

The middle school program is mostly in-class support with a departmentalized approach for elective subjects.

For the 1999-00 school year, the district conducted 14 special class programs for 117 students as illustrated below:

**Barnegat Township
Self-Contained Special Education Classes
May 16, 2000**

Elementary School	Class Type	Age Range	Allowable Class Size	Class Size with Aide	Students Enrolled	Aide in Class	Aide Required	Available Space
Collins	PD	3-5	8	12	12/9 (AM/PM)	3.5	Yes*	0
Collins	MD	6-7	8	12	9 (2 half day)	2.5	Yes*	3
Collins	L/LD	7-8	10	16	7	1	Yes*	3
Collins	L/LD	8-9	10	16	4	1.5	Yes*	6
Collins	L/LD	8-12	10	16	7	1	Yes*	3
Collins	L/LD	8-9	10	16	7	1	Yes*	3
Edwards	L/LD	9-10	10	16	11	1	Yes	5
Edwards	L/LD	10-12	10	16	6	0		4
Edwards	L/LD	11-12	10	16	10	1	No	6
Brackman	L/LD	12-13	10	16	6	.5	No	7
Brackman	L/LD	12-13	10	16	6	1	Yes*	4
Brackman	L/LD	13-14	10	16	8	1	Yes*	2
Brackman	L/LD	14-16	10	16	11	1	Yes	5
Brackman	BD	13-14	9	12	4	1	No	8
Total	14				117	17		59

Class Type Definitions: PD-Preschool Disabilities; MD-Multiple Disabilities; L/LD-Learning and/or Language Disabilities; BD-Behavioral Disabilities (Alternate Program)

*Program/IEP: Certain program conditions or IEP requirements may call for aide assistance beyond allowable class size mandates. Classes marked with an asterisk have one on one teacher aides (includes two in preschool disabilities program).

The available space in special education, self-contained classes indicates a potential for the district to accommodate an additional 59 PK-8 grade students with the existing personnel based on allowable instructional group sizes with or without classroom aide assignments. On October 15, 1999, the self-contained class enrollments included 94 students. The review team recognizes the difficulties of filling every special education classroom to maximum capacity; however, two part-time and one full-time teacher aide positions are not required based on class enrollments even with the increase of 23 students. The district may also want to consider the possibility of bringing learning disabled students from other districts on a tuition basis to aid with enrollment allowances where appropriate. This tuition could bring substantial revenue to the district. Annual examination of this area will assure that the district's resources are fully utilized.

Recommendation:

At the time of this report, the review team found that two part-time and one full-time special education teacher aides were not required based on student enrollments versus class size allowances for the district's self-contained special education program. If the paraprofessional aides' positions were not filled, the savings would be approximately \$42,820.

Cost Savings: \$42,820

Out-of-district K-8 special education tuition costs for the 1998-99 school year totaled \$729,003. This expenditure covered the placement of 22 students, two in public schools, five in regional day schools, and 15 in private schools at an average tuition cost of \$33,137. These same tuition costs for 15 students in the 1997-98 school year totaled \$486,003 for an average cost of \$32,400. The 1998-99 tuition expenditure represents a 50% increase over the previous year. The added placement of four students in the Regional Day School program attributed significantly to the increase of placements for that school year. As of May 1, 2000, 19 students had been placed out-of-district and the same approximate number of placements is projected for the 2000-01 school year. It appears that elementary school level placements are relatively stable, however, it should be noted that out of district high school placements have steadily increased from 18 in 1997-98 to 22 in 1998-99 to 24 in 1999-00. These increased numbers are mainly due to growing conduct/behavioral problems requiring alternative schooling and/or residential placements by the Division of Youth and Family Services (DYFS).

Related cost factors incorporated within the out-of-district tuition expenditures include extended school year programs. An extended school year program provides for the extension of special education and related services beyond the regular school year. This summer extension cost \$49,993 in 1997-98 and \$74,736 in 1998-99. Additionally, state facilities placement costs were \$23,109 in 1997-98 and \$20,340 in 1998-99.

The district has its own transportation fleet and transports almost all of its students, including out of district placements. Costs could not be readily broken out by special education school type since the bulk of district transportation services is in salaries (\$734,284) with the exception of a special education student joint transportation agreement amount of \$57,565 as reported in the district's 1998-99 CAFR. It is recommended that all special education student transportation costs be dis-aggregated in order to get a complete accounting of out-of-district placement costs.

The director of special education supervises the district's nine child study team members and five speech/language specialists. Four secretarial staff are assigned to the department. The building principals and the director oversee the special education program and collectively evaluate the special education teachers, aides, child study teams, and speech/language specialists. A third party provides occupational therapy and physical therapy related services. The director determines child study team building assignments, along with case management assignments based on program areas and grade levels for in-district special class and resource programs, as well as out-of-district placements. The child study team (CST) members and speech/language specialists are 10-month employees. Utilizing a flexible schedule spread over July and August, two weeks summer work for the three teams is budgeted at their daily rate of pay. End of the year referral evaluation completions, program eligibility of summer transfers, availability for emergency situations, and determination of first time preschool handicapped students in preparation for the new school year are major summer activities. The director is also responsible for other program areas, such as Section 504 of the Rehabilitation Act of 1973, crisis intervention teams, DYFS referrals and placements, and the district's homeless program that serves 10 to 15 students per year.

The director also prepares and manages the Individuals with Disabilities Education Act (IDEA), Part B grants which generate federal entitlement funds and includes all resident PK-12 public and private school learning disabled students. The expenditures of these grant funds are used by the district for its PK-8 programs. The preschool grant provides for the partial salary and employee benefits for one preschool teacher. The basic grant provides salaries and benefits for teachers, aides, speech therapists, guidance staff, and school nurses for the district's extended year summer program; and for full and/or part-time salaries and employee benefits for child study team members, special education teachers, speech teachers, and secretaries. Supplies and equipment items are also provided. The IDEA, Part B for fiscal year 2000 totaled \$352,705.

The district conducts an extensive summer school program that includes a six-week special education extended school year program. This in-district program serves approximately 80 students. An extended school year program provides for the extension of special education and related services beyond the regular school year and is generally conducted in out-of-district private schools on a tuition basis. A program serving this number of students is a sizeable cost savings to the district.

The primary duties of the child study teams include evaluating and determining eligibility of pupils for special education and/or related services, as well as coordinating, monitoring, and evaluating the effectiveness of the students' IEPs. In an effort to identify ways to control district costs, an analysis of the special education student enrollments and of the scope of child study team services was undertaken. The table below illustrates district staffing levels and case ratios with the state average based on the Department of Education's Special Education Statistical Report for the past three school years:

**Barnegat Township
Special Education Enrollments & Staffing**

	1997-98	1998-99	1999-00
Child Study Team Classified Students	222	230	247
Number of School Psychologists	2.5	3	3
Average Number of CST Eligible Students	89	77	82
State Average	134	131	135
Number of School Social Workers	2.5	3	3
Average Number of CST Eligible Students	89	77	82
State Average	119	131	137
Number of Learning Disabilities-Teacher Consultants	3	3	3
Average Number of CST Eligible Students	74	77	82
State Average	123	122	129
Total Number of Child Study Team Members	8	9	9
Average of CST Member to CST Eligible Students	28	26	27
State Average	42	43	45
Speech + Related Services/Speech Language Students	251	283	262
Number of Speech/Language Specialists	5	5	5
Average Number of Students Served	50	57	52
State Average	46	51	50

The district's CST member to CST eligible student average is much lower than the state average. It is noted that child study team staff members have been providing increased related services, such as counseling activities, as specified in the student's individualized education program (IEP); this activity along with other associated duties must be considered in the degree and quality of services offered. Speech/language specialists staffing to students served are within average range.

Recommendations:

In view of the CST staffing/student ratios and related services activities, the review team recommends that district officials consider reducing one staff member. This reduction will more closely align the district to the state average for CST ratio enrollment figures and save the district approximately \$43,000.

Cost Savings: \$43,000

The district employs four full-time child study team departmental secretaries, one more than typical when compared to similar school districts. District should consider reduction of clerical staff by one.

Cost Savings: \$19,500

Job descriptions need updating. The supervisor of special education job description was last adopted June, 1987 and the child study team job descriptions have no adoption dates.

Special Education Medicaid Initiative (SEMI)

SEMI is a cooperative program of the New Jersey Departments of Education, Human Services and Treasury to claim for federal reimbursement of certain medical related services provided to Medicaid-eligible learning disabled pupils. The current approved New Jersey Medicaid State Plan allows for three types of activities:

Rehabilitative Services or “Related Services”*

- physical therapy
- occupational therapy
- speech therapy
- counseling, provided by a school psychologist or social worker
- nursing service, including medication dispensing
- individual health services, provided by a licensed nurse

Evaluation Services

- initial evaluation
- reevaluation
- annual review

Specialized Transportation*

*Reimbursable when provided pursuant to an IEP.

The district participates in the SEMI program, including out-of-district placements of eligible students although the numbers are small. SEMI payments to date for fiscal years 1996 through 1999 totaled \$3,665. The director of special education coordinates the program. The district has a process in place for identifying students, obtaining parental consent forms, and submitting registration and monthly service information to the Medicaid billing unit. Records documenting service delivery and parental consent are maintained.

Basic Skills

The Barnegat Township School District has 298 students, 26 students more than the previous year, receiving basic skills instruction in grades K-8 for the 1999-00 school year as follows:

Basic Skills School Enrollments June, 2000

Edwards	Dunfee	Collins	Brackman
33	95	114	56

The Basic Skills Improvement Program (BSIP) is a state-mandated remedial program designed to address identified student needs in the areas of reading, writing, and mathematics. Local, state, and federal funds support the basic skills/remedial program. The program workforce consists of a supervisor of basic skills who is also a building principal, one secretary, and six full-time and ten part-time teachers (seven are assigned other academic areas as well as basic skills and three are half-day only) on the elementary K-5 grade levels. Eight regular teaching staff members as part of their total assignment provide basic skills instruction for middle school students. There are no teacher aides supporting this program.

The supervisor receives a \$5,000 stipend to administer this program area. Duties include: program implementation, scheduling, grant applications, monitoring of student progress, parental communication, and program evaluation.

Federal and state mandates require the implementation of an annual assessment of all students to determine educational needs and program eligibility. Students are selected for this program based on a very comprehensive needs assessment process that includes a thorough pre-kindergarten screening test and a school readiness inventory. Administered in the spring for program planning for the next school year, the basic skills needs assessment examines the strengths and limitations of students using multiple measures. A detailed point system tied to the district's multiple measures criteria determines student program placement.

Basic skills instruction is in addition to regular classroom instruction. Instruction includes both in-class support and pull out classes. Kindergarten students receive 20-30 minutes per deficiency per day. Students in grades 1 through 5 receive 60-150 minutes per deficiency per week of instruction. Classes are held from two to five days per week depending on need. Instruction for middle school students is scheduled during the students' elective course time. A separate basic skills progress report at all grade levels accompanies student report cards sent home each marking period.

The 1997-98 New Jersey School Board Association's Cost of Education Index reveals basic skills-remedial program per pupil expenditure data as follows:

BARNEGAT	COUNTY	STATE	SES	ENRGRP	GRPLAN
\$107	\$79	\$90	\$74	\$106	\$94

SES: Socioeconomic Status (Low/Moderate - DFG-CD)

ENRGRP: Enrollment Group (Elementary, 2,000+)

GRPLAN: Grade Plan (K-8)

NOTE: The 1997-98 Barnegat average daily enrollment was 2,120 students.

The Barnegat per pupil expenditure is the highest of the comparison groups. Several BSIP teacher/student assignment schedules in some schools were low; consideration of increasing class size will aid the district in lowering the cost of instruction per student and should not negatively impact on the level of instructional services.

For the 1999-00 school year, the district's federal (Title I) and state (Supplemental) grant funds to support the basic skills/remedial program totaled \$254,883. Ninety-eight percent of these funds are used for the salaries and partial employee benefits of teaching staff members. Added local funds projected for program salaries are \$253,321. Grant and local funds are appropriately proportioned for staff assignment times.

The district's procedures for basic skills program identification and placement are well defined and a comprehensive manual has been developed to assist the teachers and administrators.

The district's use of full-time staff members on a half-day basis to cover the basic skills, reading recovery, art, computer lab, or kindergarten programs based on school/program enrollments is an effective cost savings practice.

Recommendation:

The district should review the level of part-time staffing for the basic skills program. The average expenditure for basic skills instruction among the comparable Cost of Education Index groups was \$89 per student. Even leveling per pupil costs to the aforementioned Index average would save the district \$38,160.

Cost Savings: \$38,160

Guidance

The Barnegat Township Schools counseling department includes both guidance counselors and substance awareness coordinators (SAC) who provide services throughout the K-8 district. Two guidance counselors, one designated to grades K-2 and one to grades 3-5, along with one SAC are assigned to the three elementary schools on a rotating weekly schedule. The middle school employs a House Plan designed to make the school “smaller” for the students by dividing the sixth, seventh, and eighth grade student population into a Red House and a White House. One guidance counselor is assigned to each house. A full-time SAC is also employed in the middle school. General guidance services for learning disabled students are provided by the student’s child study team (CST) case manager and explicit counseling needs are also provided by the CST as specified in the students Individualized Education Program (IEP). The principal’s office secretaries handle the clerical needs of the counseling staff. All departmental services staff members report to their respective building principal. The district’s overall guidance and counseling program is coordinated by the Cecil S. Collins School principal who acts as the director of guidance. As director, he is responsible for the annual budget preparation and overseeing program needs and expenditures. He does not receive an extra stipend for this duty.

The counseling and student assistance program incorporates both individual and group activities that include counseling, parent/teacher consultations and help, information services, testing, and referral assistance as needed to other programs or agencies in the community. The guidance curriculum covers many counseling/substance awareness activities presented in individual or group counseling settings, classroom lessons, or specific group activity areas. Topics such as study skills, self-esteem, decision-making, conflict resolution, course selection, crisis intervention, divorce, bereavement, and personal safety are conducted. The counselors and student assistance coordinators work collaboratively and share their programmatic expertise in working with students, staff, parents, and community members at large. The middle school guidance program works with students and parents on transitional planning and orientation at appropriate grade levels and is responsible for the scheduling of eighth grade students who will enroll at Southern Regional High School as freshmen.

The elementary substance awareness coordinator was instrumental in developing core teams in each building that help assure the delivery of preventative educational programs, as well as intervention activities and referral services appropriate for students and parents. The substance awareness program is conducted at all grade levels and includes a Drug Awareness Resistance Education (DARE) program conducted in all fifth grade classes by a local police DARE trained officer. This officer is assigned full-time to the schools and aids the district with its substance

awareness curriculum and policies on substance abuse and drug free school zones. The district's substance awareness program is well organized and documented. The district is a recipient of a National Drug Free Schools Recognition Award for its anti-drug program excellence.

The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends the following ratios of counselors to students based upon grade level: Middle School 1:338 and Elementary Schools of 1:500. For the 1999-00 school year, the Barnegat middle school enrollment of 730 students is within recommended state guidelines. The combined elementary school's enrollment of 1,360 students equates to a ratio of 1:680 and is not within recommended counselor/student ratio state guidelines. However, individual guidance/counseling needs of learning disabled students are handled by child study team staff, which would lower the counselor/student ratio.

Counseling office facilities were generally adequate, except for the Elizabeth V. Edwards School. The district should seek a more appropriate office setting for counseling services at Edwards.

A comparative analysis of guidance department expenditures for the 1999 fiscal year indicates that the Barnegat Township School District is operating a cost-effective program.

Guidance Services 1998-99 Expenditure Comparisons

	<i>Barnegat</i>	<i>Hamilton</i>	<i>Plumstead</i>	<i>Somers Point</i>	<i>Sussex-Wantage</i>
Salaries-Professional	\$151,300	\$209,056	\$82,920	\$89,915	\$154,251
Salaries-Clerical			\$297		
Purchased Services	\$10,683		\$2,129		
Supplies & Materials	\$4,193	\$3,299	\$787	\$659	
Total	\$166,176	\$212,355	\$86,133	\$90,574	\$154,251
Student Count	2,135	2,577	977	1,231	1,735
Cost Per Student	\$78	\$82	\$88	\$74	\$89

Source: School districts' 1998-99 Comprehensive Annual Financial Report (CAFR)

The district is commended for developing and implementing comprehensive student assistance programs that provide proactive approaches. The Barnegat Township School Program is well designed to assist students and their families with problems that affect their personal lives and academic performance.

Recommendations:

The school counselors should take a more active role in providing general guidance and counseling services for students with special needs. School counselors advocate for all students, and services should be provided to special needs students consistent with those provided to all students in the school counselor's caseload.

Job descriptions for departmental staffs need updating. The counselor's job description was last adopted January, 1988 and the substance awareness coordinator's job description was last adopted February, 1988.

Library/Media Services

The Barnegat Township library media services seek to fulfill the individual and cultural challenges of a rapidly changing society. The mission of the library is to support the classroom curricula and to educate the students in the use of as many ways to retrieve and present information as possible. Class instruction is provided for students in grades K-5. Instruction is also given to the upper grade students on an as needed basis. A comprehensive curriculum has been developed which includes age/grade-appropriate topics, such as literature appreciation identification/recognition, book parts, listening/viewing, study skills/research/reporting, career applications, internet, use of the library, types of books, bibliographies, and use of audiovisual materials and equipment. All district schools have a library/media center. Staff totals are as follows:

Elizabeth V. Edwards School

- 1 Teacher/Librarian/Media Specialist (part-time)
- 1 Library Technician (full-time)

Lillian M. Dunfee School

- 1 Teacher/Librarian/Media Specialist (full-time)
- 1 Library Technician (full-time)
- 1 Library Technician (part-time)

Cecil S. Collins School

- 1 Teacher/Librarian/Media Specialist (full-time)
- 2 Teacher/Librarian/Media Specialist (part-time)
- 1 Library Technician (full-time)
- 1 Library Technician (part-time)

Russell O. Brackman Middle School

- 1 Teacher/Librarian/Media Specialist (full-time)
- 1 Library Technician (full-time)

The elementary school librarians teach library skills and overall educational goals. Kindergarten students receive 30 minutes per class per week and grades 1-5 students receive 40 minutes per class per week. The library media specialists and/or library technicians assist students and staff with traditional and electronic methods of information access. The middle school librarian concentrates on developing research skills and provides resources and services to support classroom activities, foster independent information-access skills, and help students develop life-long learning skills.

Library/Media Center improvements through the purchase of computer hardware, software, CD-ROM and video programs, and Internet connections have taken place recently. This was the first phase of significant technology upgrades, which will later include linkages with other school libraries/media centers in the district. The librarian's main computer station has linkages to the Ocean County Library System. The county children's librarian visits each elementary school in the spring and meets with all first to fifth grade students regarding the county's summer reading program. Other major library/media activities include four book fairs with assistance from the PTA. Proceeds are used to purchase library equipment and materials. Three "Reading is Fundamental" Programs annually raise sufficient funds for the schools to purchase three books for students to keep in their home collection.

The library staff also works closely with supervisors and teachers. With the move to standards-based education, which focuses on the “proficiencies” that students have developed, rather than what is taught, “coverage of content”; the school librarian is in a unique position to help students develop the information literacy skills which will enable them to achieve standards. A district curriculum council for grades K-5 and 6-8 comprised of teachers, librarians, administrators, a technology consultant, and a board of education member, coordinates book purchases and library materials in order to ensure consistency with the existing curriculum. All library/media materials are catalogued, inventoried, and readily available to the school community.

The review team visited each library, and noted that most of the libraries have extensive book collections and sufficient space to accommodate a class, as well as other individuals who wish to visit the library. The exception is the Elizabeth V. Edwards School, where the library, a converted classroom, is relatively small, and has a limited book collection.

A comparative analysis of library/media services is illustrated in the following charts:

**Media Services/School Library
Expenditure Comparisons
1998-99**

Expenditures	Barnegat	Hamilton	Plumsted	Somers Point	Sussex-Wantage
Salaries	\$307,976	\$0	\$41,131	\$173,223	\$224,359
Salaries-Other Prof. Staff	\$0	\$74,657	\$0	\$0	\$0
Purchased Ed. Services	\$0	\$3,858	\$0	\$0	\$0
Pur. Prof. & Tech. Svcs.	\$15,257	\$7,528	\$0	\$0	\$0
Other Purchased Services	\$0	\$27,375	\$0	\$2,807	\$0
Supplies & Materials	\$73,879	\$45,373	\$8,088	\$35,965	\$44,453
Other Objects	\$0	\$0	\$0	\$250	\$0
Total	\$397,112	\$158,791	\$49,219	\$212,245	\$268,812
Student Count	2,135	2,577	977	1,231	1,735
Cost Per Student	\$186	\$62	\$50	\$172	\$155

Source: School districts' 1998-99 Comprehensive Annual Financial Report (CAFR).

**Media Services/School Library Expenses
1997-98**

Demographic Groups	Comparison Groups	Per Pupil Cost	Percent of Total Current Expense	Rank of Barnegat
District	Barnegat Township	\$170	2.55%	
State	New Jersey	\$114	1.55%	68 of 550
County	Ocean	\$107	1.58%	4 of 28
Socioeconomic Status	Low/Moderate	\$107	1.53%	18 of 167
Enrollment Group	Elementary 2000+	\$116	1.85%	2 of 17
Grade Plan	K-8	\$124	1.82%	35 of 223

Source: New Jersey School Boards Association Cost of Education Index

NOTE: Socioeconomic Status-DFG CD & DE

Barnegat Township's per pupil costs for library/media services are higher than the comparative groups, as illustrated in the charts above. Many changes have taken place with the advent of computers in education. The review team recognizes that as technology advances and more print and electronic information resources are available through the school library, a greater amount of time is spent by the school librarian on information literacy (teaching students and teachers how to access and use such resources). The increasing availability of technology and Internet access, with staff development training to make information resources available to teachers and students in the classrooms and computer labs, should ease this process. Future plans call for library automation that should reduce the amount of time spent by librarians on clerical duties.

Recommendations:

It is important to provide a sufficient number of library/media support staff to manage the routine day-to-day operations of the school library information center. Nonetheless, the school district's per pupil cost for library/media services is substantially higher than all of the comparison groups. The district should examine closely its number of non-certified library technicians especially in regard to school enrollments. The review team estimates that savings of \$20,000 could be found in this service area with the equivalent reduction of two part-time technician positions.

Cost Savings: \$20,000

Health Services

During the 1999-00 school year, the Barnegat Township School District employed one full-time certified school nurse at both the Elizabeth V. Edwards and the Lillian M. Dunfee Elementary Schools. The Cecil S. Collins Elementary School had one full-time nurse with emergency certification and two part-time nurses (one with emergency certification). The middle school employs one full-time nurse with emergency certification and one part-time certified school nurse. Those employees with emergency certificates are qualified to carry out their duties. They are all certified registered nurses (RNs) who are in the process of taking specific Department of Education college courses which must be completed in a timely fashion in order to earn the school nurse certificate. These seven nurses report to their building principals. One school nurse is responsible for the general oversight of the health services program and receives a \$1,000 stipend as nursing coordinator. Some of the coordinator's duties include the determination of the school doctor's district schedule, staff in-service and professional development for the nurses monthly meeting, accident reporting for cafeteria workers, and required Mantoux tuberculosis testing of employees. All nurses are ten-month employees.

The primary functions of the nurses include caring for students (illness and injuries), administering individual medications, conducting screenings for physical exams, coordinating inoculations, and in-service staff training. On average, approximately 30-40 students are treated daily at the elementary schools and approximately 100 students are seen daily at the middle school. All nurses in the elementary schools are used as resources to the health education program for certain subject areas, such as Family Life, Health, and AIDS Awareness for all fourth and fifth grade students. The nurses are responsible for the application procedures for the free and reduced lunch program in their schools. All nurses prepare a list of students eligible for free and reduced lunches.

All school nurses serve as members of the CORE teams in their respective schools and on the pupil assistance committee (PAC) on an as needed basis. Each nurse's office has a confidential list of students who have special medical conditions and/or medication needs. If a substitute is not available, which is rare, a neighboring school nurse administers student medications and is on call for emergencies.

All nurses are responsible for their record keeping. All nurses offices are equipped with computers with district E-mail and Internet access. The nurse coordinator is investigating specific departmental service software that will allow for standardization of district student healthcare information that will make the school nurse's job more efficient and manageable.

For the 1999-00 school year, the district employed one medical doctor to provide necessary school physician services for an annual fee of \$10,000 with no health benefits. The contractual agreement is on record, but the job description is incomplete and has no adoption date. The school physician is primarily responsible for performing comprehensive health examinations for students in grades 4 and 7 and special education classes and sports physicals as required, as well as reviewing positive Scoliosis findings, conducting TB Mantoux testing, bus driver physicals, and drug testing when necessary, and overseeing sharp usage and disposal.

Comparative program costs are illustrated below:

**Health Services
Expenditure Comparisons 1998-99**

	<i>Barnegat</i>	<i>Hamilton</i>	<i>Plumstead</i>	<i>Somers Point</i>	<i>Sussex-Wantage</i>
Salaries	\$180,992	\$171,906	\$69,640	\$99,446	\$142,302
Purchased Prof./Tech. Services	\$22,651	\$17,415	\$0	\$0	\$40,430
Other Purchased Services	\$1,527	\$82	\$575	\$10	\$7,270
Supplies/Materials	\$4,497	\$2,514	\$3,486	\$1,819	\$2,107
Total	\$209,667	\$191,917	\$73,701	\$101,275	\$192,109
Student Count	2,135	2,577	977	1,231	1,735
Cost Per Student	\$98	\$74	\$75	\$82	\$111

Source: Districts Comprehensive Annual Financial Report (CAFR)

Barnegat Township total overall health services costs per enrolled student were \$12 higher than the average of the four comparable districts. This amounts to an extra health services cost of \$25,620 for the district.

The district was able to secure the services of a new school physician at a professional service contract fee of \$10,000 commencing with the 1999-00 school year. Prior medical services were at a salary cost of \$22,000. This staff replacement has an immediate saving of \$12,000.

Recommendations:

LGBR recommends that one part-time nurse be reduced at the Cecil S. Collins School to match the similar enrollment and staffing at the middle school.

Cost Savings: \$16,000

The possibility of assigning the school lunch program procedures and resultant record keeping to a secretarial staff member should be considered since this process is essentially a clerical function.

Job descriptions need updating. The school nurse and school physician job descriptions have no adoption dates and the school nurse coordinator's job description was last adopted November, 1983.

BUSINESS OFFICE OPERATION

Payroll

The Barnegat Township School District has an outsourced payroll provider, which has been used for more than 15 years. The company provides software and technical support for the payroll department, prepares biweekly checks for all salaried and hourly staff, W-2 and W-4 annualized data, and master payroll control reports.

Two district employees support the payroll department for approximately 425 employees and substitute teachers. These employees are also responsible for maintaining health benefit coverage. The following are the major job responsibilities for payroll processing:

- Update payroll software with overtime data, employee attendance, and other miscellaneous data.
- Print out a check history run, proofread report, and issue final submission via modem to payroll provider.
- Two days after final payroll run is sent to the payroll provider, a mail courier will deliver the checks and payroll reports to the district.
- Confirm that a check has been issued for each employee. Sort checks for distribution.
- The district's mail person will deliver checks to each school principal's secretary.

After checks have been disbursed and all calls have been answered regarding check discrepancies, the payroll clerk manually types and mails payroll agency and tax shelter checks.

The payroll processing company performs its services for less than two dollars per check per pay period. The annual cost for the payroll service is approximately \$96,000. This cost includes the salaries and benefits of payroll staff. LGBR believes that this cost is reasonable in light of the services provided.

Signature Process for Receipt of Payroll Checks

A mail courier distributes checks biweekly to each school. There is no formal signature process for a staff member at each school to confirm that all checks have been received. The district has not experienced problems with this current procedure, however, the staff acknowledged that an internal control procedure should be instituted.

Recommendation:

LGBR recommends that one person, and an alternate, at each school be assigned to receive payroll checks for the school year. A signature receipt form should be instituted to ensure that checks have been received.

Surplus Funds

Surplus is the amount of money held in reserve and left over after the interaction between current year revenues and expenditures. Elements that create surplus money are the amounts of revenues and expenditures in the current budget year and the amount of available surplus from the prior year. A portion of this surplus may be carried into the next year's budget. Accurate budget estimates are vital in order to ensure that appropriate fund balances, in accordance with the district's financial plan, are maintained to guard against unexpected expenses. Care should be taken to ensure that excessive unexpended balances do not accrue as a result of the district collecting more taxes than necessary to fund operations. The ability to forecast adequate surplus fund needs is a sign of sound financial controls. It should be noted that unforeseen circumstances in a given year might result in a surplus or deficit situation.

The Comprehensive Education Improvement and Financing Act of 1996 (CEIFA) N.J.S.A. 18A:7F-1 - 18A:7F-34, requires that unreserved general fund balance (surplus) not exceed 6% of the prior year's budget expenditures. The state does not require that a minimum fund balance be maintained. However, fund balances are generally maintained between 2% to 6% of total budgeted expenditures to be used in the event of emergencies. If a fund balance exceeds 6% at the end of the fiscal year, the district is required to appropriate the excess amount to the subsequent year's budget for tax relief.

At the time a budget is prepared, the board of education knows the approximate amount of revenue anticipated in the coming year. Over 90% of the annual revenue comes from local tax levy and state aid. In the 1996-97 through the 1998-99 school years, revenue was underestimated. In 1996-97, \$115,439, or .5% more revenue was received than anticipated. In the 1997-98 school year, \$119,407, or .5 % more revenue was received than anticipated. However, in the 1998-99 school year, the revenue received was \$1,432,608 or 5.6% more than anticipated.

	Chg.				Chg.				Chg.			
	96-97	96-97	Btwn.	Chg.	97-98	97-98	Btwn.	Chg.	98-99	98-99	Btwn.	Chg.
	Budget	Actual	Bud.-Act.	in %	Budget	Actual	Bud.-Act.	in %	Budget	Actual	Bud.-Act.	in %
Total Revenue* (\$M)	\$22,946	\$23,062	\$115	0.5%	\$24,015	\$24,135	\$119	0.5%	\$25,653	\$27,085	\$1,433	5.6%

*Excludes TPAF amounts to make comparison more accurate.

Amounts are shown in thousand dollars.

The majority of expenses are for salaries. With the exception of contract renewal periods, salary amounts for all positions in the upcoming budget year are available through contracted labor agreements or annual salaried position amounts. Except for additional staffing needs due to unexpected increases in student enrollment, salary amounts are very predictable. During the 1996-97 school year, expenses were underestimated by \$637,943, or 2.7% more than budgeted. This underestimate may have caused the district to overestimate expenses by a small amount in

the following two school years. For the 1997-98 school year, \$103,326, or -0.4% less was spent for expenditures than budgeted. During the 1998-99 school year, \$411,865, or -1.6% less was spent for budgeted expenditures. Spending less than anticipated increases the amount of surplus in the current year, which may be appropriated as revenue for the following year.

	Chg.				Chg.				Chg.			
	96-97	96-97	Btwn.	Chg.	97-98	97-98	Btwn.	Chg.	98-99	98-99	Btwn.	Chg.
	Budget	Actual	Bud.-Act.	in %	Budget	Actual	Bud.-Act.	in %	Budget	Actual	Bud.-Act.	in %
Total Expenses \$(M)	\$23,878	\$24,516	\$638	2.7%	\$24,243	\$24,140	-\$103	-0.4%	\$26,373	\$25,961	-\$412	-1.6%

Amounts are shown in thousand dollars.

The following table illustrates the district's budget and actual surplus as a percentage of total expenditures:

Barnegat Township School District												
Analysis of Bud. & Act. Surplus As a Percentage Of Total Expenditures \$(M)	Chg.				Chg.				Chg.			
	96-97 Budget	96-97 Actual	Btwn. Budget & Actual	Chg. in %	97-98 Budget	97-98 Actual	Btwn. Budget & Actual	Chg. in %	98-99 Budget	98-99 Actual	Btwn. Budget & Actual	Chg. in %
Total Revenue*	\$22,946	\$23,062	\$115	0.5%	\$24,015	\$24,135	\$119	0.5%	\$25,653	\$27,085	\$1,433	5.6%
Total Expenses	\$23,876	\$24,516	\$638	2.7%	\$24,243	\$24,140	-\$103	-0.4%	\$26,373	\$25,961	-\$412	-1.6%
Over/Under Expend.	-\$931	-\$1,454	-\$523	56%	-\$228	-\$5	\$223	-98%	-\$720	\$1,124	\$1,844	164%
Other financing sources	\$0	\$0	\$0	0%	\$0	-\$137	-\$137	0%	\$0	\$290	\$290	0%
Surplus or (Deficit)	-\$931	-\$1,454	-\$523	-56%	-\$228	-\$142	\$86	38%	-720	\$1,415	\$2,135	151%
Beginning Fund Balance	\$2,446	\$2,446	0	0	\$1,433	\$1,433	0	0	\$1,291	\$1,291	0	0
Ending Fund Balance	\$1,514	\$1,433	-\$81	5%	\$1,205	\$1,291	\$86	-7%	\$571	\$2,706	\$2,135	79%
% of Total Expenditures	6%	6			5%	5%			2%	10%		

Sources: (Exhibit B) Barnegat Township CAFR

*Excludes TPAF amounts to make comparison more accurate

**Amounts are shown in thousand dollars.

Recommendation:

LGBR recommends that Barnegat officials continue efforts to accurately estimate and monitor revenues and expenditures. This will help minimize the property tax impact and keep surplus within board determined limits.

Cash Management

LGBR analyzed the district's management of its cash balances for the 1999-00 school year. To perform the analysis the following documents were reviewed: the 1999-00 bank statements, monthly treasurer's reports, bank proposals, and interviews with personnel. An analysis of 12 monthly bank statements for the major bank accounts was performed to identify average daily balances, fees charged, and interest earned. Adjustments were made for routine bank fees and miscellaneous bank expenses.

Month	Average Interest Rate (All Banks)	NJCMF Rates
Jul-99	4.0%	5.3%
Aug-99	4.2%	5.3%
Sep-99	4.0%	5.3%
Oct-99	4.2%	5.2%
Nov-99	4.4%	4.9%
Dec-99	4.5%	4.9%
Jan-00	4.6%	4.9%
Feb-00	4.9%	4.8%
Mar-00	4.9%	4.8%
Apr-00	4.9%	4.8%
May-00	4.9%	4.7%
Jun-00	4.0%	4.8%
Average	4.5%	5.0%

Performance measurements were made to compare the total amount of interest earned by the district's current banking institution(s) to the interest rates of the New Jersey Cash Management Fund (NJCMF). Overall, the team concluded that the district effectively manages its cash and receives a good interest rate on all of its cash balances.

Staffing and Functions

The board secretary, supported by the accounts payable clerk, is directly responsible for managing eight general operating accounts. The treasurer of school monies performs the monthly reconciliation functions. The treasurer has served the district in this capacity for three years. The treasurer's fee is \$3,200 a year.

Banking Relationship

Barnegat School District operated a \$30 million budget during the 1999-00 school year and maintained eight accounts at one local bank. For over 10 years, this primary local bank has served the district in addition to the district's investments in the NJCMF.

The primary bank maintains an investible bank balance of approximately \$2.2 million monthly. Bank fees are waived for returned checks and wire transfers.

Recommendation:

LGBR supports fostering competitive banking services favorable to the school district's needs. Maintaining relationships with more than one bank helps to learn of new products and services in the marketplace. The team recommends that the district have its current bank draw up a written agreement, which identifies its rights and obligations. It is also suggested that Requests for Proposals (RFP) be issued periodically within the banking market to determine opportunities to obtain improved services and interest income.

Cash Management Plan

Barneget school district does not have a formal cash management plan. Title 18A:20-37 directs governmental agencies to deposit public funds into public depositories, which are protected from loss under the Governmental Unit Deposit Act. A cash management plan provides a clear definition of investment practices and overall maintenance of accounts.

Statutory criteria of a cash management plan include, but are not limited to, a) designated official depositories, b) scheduled deposit of funds, c) definition of allowable investment instruments, d) definition of acceptable collateral and protection of district assets, e) compensating balance agreement, f) reporting procedures, g) diversification requirements, h) investment procedures, i) return on investment policy, j) internal controls, k) bonding coverage, and l) compliance requirements.

Recommendation:

A cash management plan is a useful measurement tool to help maximize interest income. LGBR recommends that a cash management plan be established to include the statutory criteria identified above. This plan should be on file in the board office and updated as needed.

Cash Accounts

Nine general operating cash accounts are maintained within one bank. The cash accounts are: 1) general, 2) special revenue, 3) capital projects, 4) debt service, 5) food service, 6) payroll, 7) payroll agency, 8) unemployment, and 9) student activities. During LGBR's visit, the annual earned interest ranged from 3.75% to 4.20%. The major cash accounts earned approximately \$202,900 in interest income for the fiscal year 1999-00. The estimated average monthly cash balance for the 12-month period was approximately \$2.2 million.

Recommendation:

Monthly cash balances averaged approximately \$2.2 million for the fiscal year 1999-00. The team compared the interest earned from the Barneget's bank accounts with NJCMF. Adjustments were made for estimated banking fees and a reserve requirement. LGBR concluded that a good rate of return is received on its operating accounts.

Student Activity Accounts

The 1999 Auditor's Management Report found that one student activity account was not being reconciled in a timely fashion. The audit concluded that the necessary actions to handle this matter had been taken.

The Brackman Middle School has a student activity account. Each month the school principal maintains the bank account, makes deposits as needed, and reconciles the bank statements. There is no stipend involved for this duty. For the 2000-01 school year, the PTA will reconcile the student activity account at the Brackman School. The PTAs manage the three elementary schools student activity accounts.

Investments

For investments, the Barnegat School District utilizes interest rate earnings from the New Jersey Cash Management Fund (NJCMF). For the 1999-00 school year, approximately \$1.8 million of monthly cash balances were invested which earned approximately \$106,000 in interest income.

LGBR commends Barnegat for investing its money in the NJCMF, which yields a sound return.

SERVICE CONTRACTS

Legal

For the 2000-01 school year, the board of education retained the services of a new attorney. At the time of this report, the contract was not finalized with the lawyer. The contract was scheduled for review by the board in August, 2000. The tentative agreement with the new attorney included no annual salary. Professional services are to be performed at the rate of \$50 per hour for the first 50 hours and \$85 per hour for hours over 50 hours.

The team performed an analysis of district legal expenses. The Barnegat School District utilized the legal representation of its previous attorney for over five years. That attorney's 1998-99 contract entitled the service provider to \$7,000 compensation, which included the attorney's appearance at two regularly scheduled board meetings monthly. In addition, the attorney performed professional services when the \$7,000 amount was reached at the rate of \$85 per hour.

During the 1998-99 school year, \$25,487 was expended for legal expenses. One-third, or \$7,000, of this expense was for the attorney's salary: \$18,487 of the remaining legal costs was primarily spent on one litigation. At the time of the report, there was no current litigation. The board does not use its legal staff for salary negotiations. It hires a negotiating firm which, it believes, is less expensive. The cost for the negotiator had been approximately \$16,000.

In past years, legal expenses were high due to one on-going litigation. From 1995 to 1997, the board of education was involved in a major case regarding a special education out-of-district placement, which Barnegat ultimately won. The following chart shows actual legal expenses during the 1995-96 through 1998-99 school years.

Legal expenses for Barnegat School District (1995 – 1999 School Years)

1998-99	1997-98	1996-97	1995-96
\$25,487	\$48,767	\$103,418	\$88,747

The team compared benchmark per student costs for legal services of the comparative districts, which ranged between \$12 - \$17 per student to Barnegat's per student costs of \$12. LGBR analysis concluded that per student costs for legal services of \$12 per student for the 1998-99 school year was reasonable.

LGBR's review of the legal expenses indicated that the board of education had taken action to keep legal expenses to a minimum. The change to a new attorney who does not require a retainer and has lower hourly rates should result in immediate savings. The board of education is to be commended for its cost effective action.

INSURANCE

Property & Casualty

The district is a member of a local joint insurance fund (JIF) for property, casualty, and workers' compensation insurance. The JIF has served the Barnegat School District favorably over the past six years. While LGBR was in the district, it was in the second year of a three-year contract. The team analyzed the number of claims per year divided by the average costs per claim for the 1996-97 through 1999-00 school years. The analysis of the incurred ratio assessment appears to be low. This assessment is attributed to less loss time from work for the injuries reported and less medical costs per claim.

Major claims over \$10,000 have been reported for motor vehicle accidents, as well as lifting and tripping accidents. The financial data indicates that approximately 15-20 people are injured every year, which is less than 5% of the total amount of district employees. This is exemplary.

For the 2000-01 school year, the district paid \$165,542 for insurance. This is a 15% increase in costs expended in 1999-00. The major cause for the rise in costs between years was due to coverage changes. Another factor of the increased costs between 1999-00 and 2000-01 was due to the market becoming more expensive. During the 1996-97 school year, more competitive quotations among the market were sought before concluding that the current contract offered the best coverage. It is beneficial to compare the JIF rates to its competition in the marketplace. This will ensure their costs will be kept to a minimum. Overall, there are generally considerable savings by being a member of JIF. The service fees of the local broker are below the market rate. The district should continue to save for many reasons:

- The JIF emphasizes risk prevention. Members of the JIF insurance coverage save money on future coverage rates if their claims are continually low over time.
- Members of a JIF receive financial advantages though mass purchasing with over 150 NJ school districts participating.
- A JIF risk manager receives approximately a 6% commission compared to 10% for full insurance commission for workers compensation.

FACILITIES AND OPERATIONS

Overview

As districts throughout New Jersey attempt to balance the need to lower taxes with the responsibility of ensuring structurally sound, environmentally safe, and energy efficient educational facilities, building construction and repair costs continue to rise. Efficiencies and cost-cutting measures must necessarily consider the health and safety of students and staff.

The Barnegat Township School District services its student population with three elementary schools, grades kindergarten through fifth, and a middle school that houses the sixth through eighth grades. High school students attend Southern Regional High School located in Manahawkin.

Maintenance Operations

A supervisor of plant operations and maintenance, also referred to in the job description as the “head custodian,” manages the maintenance and custodial operations. The department also includes a secretary, three general maintenance/custodial positions, an electrician, a warehouseman, and three groundsman/custodians. The supervisor is responsible for the scheduling of work assignments, budget preparation, supervision of staff, and work order procedures.

The work order system is not computerized, but the district has software for this purpose and, at the time of the team’s visit, preparations had started on this important upgrade of department operations. The district presently utilizes numbered work orders, which will ease the transition to computerization. The current system allows the progress of projects and costs to be tracked effectively, but is time consuming.

The maintenance department operates a warehousing facility on the Edwards Elementary School site and adjacent to the school bus compound and administrative offices. The initial assessment by the team questioned the efficiency of a facility and one employee whose sole assignment was warehousing supplies, especially in a district the size of Barnegat.

Upon review, the district practice of maintaining a central storage facility for all school supplies was determined to be not only efficient, but one which reduces loss through stringent delivery and inventory policies. From crayons to computers, all items ordered within the district are received and dispatched through the warehouse. Each item is recorded, and maintenance delivery tickets identify the item or items and the individual responsible for receiving at the school. This system eliminates the cost of additional deliveries of large orders to schools throughout the district and reduces the need for storage areas in schools, which are chronically short of space.

There is a need to complete the computerization process for inventory purposes. The software is available, and coordination with the computer technician for implementation was ongoing during the team’s visit.

Custodial Operations

Barnegat employs 12 full-time and 12 part-time custodians to clean the district facilities. Supervision of the custodial staff is the responsibility of the building principals in concert with the supervisor of plant operations and maintenance.

Custodial Staffing

Part of the review process is to identify custodial staffing needs by using an objective, quantitative, multi-step assessment process based upon the size and use of each facility. The process entails:

- Review of any existing district work and time standards for the various cleaning tasks within the school facility.
- Review of the custodial labor agreements to determine the number of work-hours within a negotiated workday and then reduce the workday by an off task time allowance factor of 25%. Off task time is defined as scheduled work breaks, interruptions, emergencies, etc.
- Obtaining floor plans of the facilities and inserting task data into the following matrix adopted from The Custodial Staffing Guidelines for Educational Facilities published by the Association of Higher Education Facilities Officers and Good School Maintenance published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQ. FT.	CLEANING TIME IN MINUTES
CAFETERIA	10,000	150
CLASSROOMS	1,200	15
CORRIDORS	1,000	5
ENTRANCES	112	5
GYMNASIUMS	10,000	45
LABORATORIES	324	20
LIBRARIES/MUSIC ROOMS	15,000	30
LOCKER ROOMS	1,960	25
OFFICES	1,200	8
OFFICES WITH CARPET	1,200	12
RESTROOMS	150	20
SHOPS/ART/HOME EC	1,200	30
STAIRWAYS	PER FLIGHT	8
TEACHERS' LOUNGES/CAFÉ	1,200	20
AUDITORIUM	10,000	150
MULTIPURPOSE/GYM/CAFÉ	10,000	210
MULTIPURPOSE	2,400	40

*NOTE: The average standard can be adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Divide this total of minutes by the total work-hour minutes available (after adjusting by the off task time factor). The result is the number of personnel needed to clean the facility.
- Compare actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the Barnegat Township School District to determine the staffing required to perform night cleaning and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

The district employs a cleaning staff of 12 full-time and 12 part-time custodians (18 full-time equivalent (FTE) positions). Allowing for one position per building for porter services and basic boiler maintenance, the staffing analysis utilized illustrates that the district employs the average number of staff recommended or 14 FTE cleaning positions.

Cost of Operations

One of the tools utilized in the review process is the New Jersey Department of Education Comparative Spending Guide. This guide compares the per pupil costs of school districts in the state with comparably sized districts (Enrollment in Excess of 751 pupils) and those with the same grade structures (K-8). Utilizing data for the three most recent years, the Barnegat Township School District's three-year average cost per pupil for operations and maintenance of plant, ranking from low expenditures to high, ranked 23 out of 91 comparable districts. Salaries and benefits for operations and maintenance of plant ranked 12 out of the 91. However, spending in several areas was found to be disproportionate, as indicated by the following analyses.

An additional tool used in the review process for identifying potential cost savings in the area of operational costs within the school district involves the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school districts reviewed by Local Government Budget Review teams. For regional benchmarking, the review team utilizes the *American School and University (ASU)*, a national publication for facilities, purchasing, and business administration. The *ASU* performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools (including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.) on a regional level. Region 2 includes New York and New Jersey.
2. Identify and analyze budget lines and accounts that appear to be high in relationship to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the Barnegat Township School District's cleaning, maintenance, grounds and utility costs per square foot for the 1998-99 school year:

CATEGORY	EXPENSE (\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	BARNEGAT	BARNEGAT	Oct 99 ASU
CLEANING			
Salaries	\$281,579	\$0.96	\$1.70
Overtime	\$34,455	\$0.12	
Supplies	\$55,606	\$0.19	\$0.17
Contracts			
Subtotal - Cleaning	\$371,640	\$1.27	\$1.87
MAINTENANCE			
Salaries	\$262,170	\$0.89	\$0.41
Overtime	\$35,139	\$0.12	
Supplies	\$97,686	\$0.33	\$0.20
Contracts	\$94,229	\$0.32	\$0.28
Misc.			
Subtotal - Maintenance	\$489,224	\$1.66	\$0.89
Total Cleaning/Main.	\$860,864	\$2.93	\$2.76
GROUNDS			
Salaries	\$71,235	\$0.24	\$0.21
Overtime			
Supplies	\$8,033	\$0.03	\$0.09
Contracts	\$10,451	\$0.04	
Subtotal - Grounds	\$89,719	\$0.31	\$0.30
UTILITIES			
Heat	\$376,726	\$1.28	\$0.31
Electric	\$406,043	\$1.38	\$0.68
Water/Sewer	\$37,622	\$0.13	\$0.23
Other Fuel	-	-	\$0.24
Subtotal - Utilities	\$820,391	\$2.79	\$1.46
Total Grounds/Utilities	\$910,110	\$3.10	\$1.76
TOTAL Main./Oper.	\$1,770,974	\$6.03	\$4.52
INSURANCE	\$53,849	\$0.18	\$0.11
GRAND TOTAL	\$1,824,823	\$6.21	\$4.63

Source: 1998-99 Comprehensive Annual Financial Report (CAFR)

The overall costs for plant operations for the Barnegat Township School District are 34% higher than the average costs determined by the ASU survey. The following areas were identified as significant cost drivers for the district:

Maintenance Salaries

As noted in the chart above, the square foot costs for maintenance salaries in the district are 117% higher than the survey average. In addition to the cost per square foot analysis, the ASU survey identifies the average number of maintenance personnel required per square foot and groundsman necessary per acre. In the New York/New Jersey metropolitan area, an average of 75,552 square feet per maintenance worker and 32 acres per groundsman are identified as

necessary and appropriate. With a square footage total of 294,000 and 40 acres of property to be maintained, Barnegat appears to be overstaffed by one maintenance employee and at least one grounds worker.

Recommendation:

The review team suggests that the district consider reducing the operations staff by two. If done through attrition, the savings in 1998-99 dollars would be approximately \$70,000. Additional savings would result from the reduction in benefit costs.

Cost Savings: \$81,000

Utilities

The combined expenditures for heat and electric services for the district were 268% higher than the ASU average for the 1998-99 school year and represented 45% of the total maintenance and operations budget.

The Dunfee School, built in the 1970's, is an all-electric building, which was the "wave of the future" during the 1970's. The use of electricity for heating purposes has proven to be very expensive and is certainly a major factor in the disproportionate Barnegat costs for utilities.

The Brackman School was engineered with a geothermal heat exchange heating system, leased to the school district over a 10-year period with annual payments of \$300,000. The final payment on this lease was made in 1998-99, which should decrease spending proportionally in future years. If the annual expenditures for heating are reduced by the \$300,000 lease payments, costs become more realistic and are then lower than the ASU average by \$.05, or approximately 18%.

Expenses for electricity for 1998-99 were 200% higher than the ASU average, and there were no indications in the district that steps were being taken to attempt to lower these costs.

Recommendation:

LGBR suggests that the district investigate the myriad of options available to school districts to enable them to lower the costs of electricity. Among such options are:

- 1. Initiate an energy audit to determine:
Draft/air infiltration-estimates of savings from 5% to 30% realized from reduction of draft/cold air infiltration. Common problems are penetrations, roof problems, and missing insulation.**
- 2. Install motion sensor for indoor lighting.**
- 3. Retrofit with T8 energy efficient lights and electronic ballasts.**
- 4. Install timed sensors on all outside lights.**
- 5. Night setback of all heating and air conditioning equipment.**
- 6. Institute recommended preventive maintenance for heating and cooling filters; ductwork cleaning.**
- 7. Consider central control of energy usage.**

TRANSPORTATION

A fundamental, but often controversial, component of school district budgets is that of providing a safe means for students to travel to and from school. The escalating costs associated with the safe and efficient transportation for New Jersey's public and private school students has received increasing attention from the media, state and local officials, and taxpayers. There are numerous factors that can affect transportation expenses, including management's knowledge of transportation; employee salaries and benefits; terms of negotiated agreements; privatization; competition for services; quality of route and vehicle specifications; geography; and board of education policies. The Local Government Budget Review process examined the level of service provided to the students in the Barnegat Township School District, as well as the costs of such services.

State transportation aid is provided to qualifying school districts under the provisions of N.J.S.A. 6A:27-2.1 and 2.5 which stipulate that elementary school pupils who live more than two miles from their public school or secondary pupils who live more than 2.5 miles from their public school are entitled to transportation to and from school. In addition, the statute grants students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil's residence, transportation within the requirements of the N.J.C.A. 6:21-2 through 2.7. State statutes restrict the cost of non-public transportation to a stated yearly amount 1997-98 - \$675, 1998-99 - \$702, 1999-00 - \$707. If transportation cannot be provided for this amount or less, parents are reimbursed the legislated amount.

There are several terms utilized to differentiate between students whose transportation to and from school is an expense recognized as necessary, and therefore qualifying for state aid, and those students whose services are provided for reasons of safety or other local conditions or policies. Students who reside a qualifying distance from the school are said to live "remote from the school house" or are termed "eligible" referring to state aid requirements.

"Courtesy" busing is defined as transportation of students who reside two miles or less from the school for elementary grades and 2.5 miles or less for the secondary grades. Under state guidelines, this transportation is unaided if provided. The term "courtesy" busing is used interchangeably with "safety" or "hazardous" busing for "ineligible" students, again referring to state aid qualifications.

District Operations

A transportation supervisor, who has been with the district since 1987, and a full-time secretary manage the transportation operations, which includes 30 bus drivers, school van aides, and substitute drivers. The district also employs two mechanics whose responsibilities include the repair of buildings and grounds vehicles and equipment, in addition to maintaining the school bus fleet.

The school bus fleet consists of 31 full-size buses (54 passenger), two, 20 passenger and two, 16 passenger buses, and eight assorted wagons and vans used primarily to transport special needs students.

Services for regular to and from transportation is provided by in-district operations. Special education routes are outsourced through joint transportation agreements with the Monmouth-Ocean Educational Services Commission (MOESC) and Southern Regional High School District, and through the use of district staff and vehicles.

Transportation To and From School

Transportation efficiency in public school districts can be defined as “equal or improved services for fewer dollars.” The strategy of “tiering” bus routes and bidding the “tiers” as separate or combined packages is one of the methods utilized to increase efficiency and save transportation monies. When runs are combined or tiered, each vehicle is assigned to a group of runs, thereby utilizing the vehicle for as many hours during the day as is possible, without compromising instructional time. The basic principle of efficiency is:

Yearly vehicle operational costs, i.e., lease or amortized cost, repair parts and labor, and insurance expenses, are stable, regardless of how many trips the vehicle is assigned to during the course of the year (excluding fuel, driver salaries, benefits, etc.).

When these operational costs are applied to Vehicle A for Year 1 at \$15,000 and that vehicle is assigned to only an elementary school run throughout the year, then the operational costs for that bus run would be \$15,000. The same vehicle assigned to runs for a high school, middle school, and elementary school in the morning and afternoon produces a per run cost of \$5,000.

The Barnegat School District makes excellent use of its vehicles and drivers, scheduling the school bells in a manner that allows for efficient tiering of all routes. In addition to transporting students to each of the elementary schools within the district, secondary students attending Southern Regional High School are also transported by district vehicles and drivers. Transportation of non-public and special needs students is handled by in-house staff and vehicles whenever possible.

Courtesy Busing

“Courtesy” busing is defined as transportation provided for students who do not meet the state profile for eligible students to and from school. As stated earlier in this review section, pupil transportation is governed through statute, and school districts are provided with state aid for transportation for students who reside “remote” from the school.

Districts that transport students who live “less than remote,” or closer than the aided distances, are said to be providing “courtesy” busing. Those districts which refer to this busing as “safety” or “hazardous” busing, contend that a lack of sidewalks and/or busy roadways make it unsafe for students to walk to and from school.

The following table gives an overview of “courtesy” busing in Barnegat for the past three years:

SCHOOL YEAR	COURTESY STUDENT	REGULAR STUDENTS
1997-98	1,187	1,107
1998-99	1,205	1,089
1999-00	1,174	1,232

The regular student count excludes public, non-public and out-of-district special needs students.

Legislation permits “courtesy” busing, but does not fund it through state aid. However, legislation has been enacted which permits subscription busing whereby the families are charged for the costs of transportation if the students are not eligible under the state mileage restrictions.

As of October 15, 1998, the district reported a total of 1,205 students being provided “courtesy” busing. While LGBR realizes that hazardous conditions and areas without sidewalks pose potential dangers to students who walk to and from school, providing transportation for less than remote students increases the tax burden on all citizens of the state.

LGBR also recognizes the futility of recommending the abolition of “courtesy” busing, particularly in an area such as Barnegat Township, where the schools are located within an area with increasingly heavy traffic patterns. Therefore, the team suggests the following:

Recommendation:

LGBR recommends that the district monitor the hazardous areas to determine if there is a continuing need for courtesy busing within the district.

Extracurricular Transportation

Transportation services for athletic and extracurricular field trips are scheduled by the department utilizing district staff. Under “Working Conditions” in the collective bargaining agreement, bus drivers and aides are guaranteed a minimum of five hours per day. However, drivers and aides employed during the 1986-87 school year are “paid on the basis of no less than the number of hours worked in 1986-87.” The district, therefore, has stipulated that extra work is to be assigned to drivers and aides in such a way as to bring assigned hours up to contracted hours.

Perhaps due to the need to “fill in time” for employees, the district does not budget for, or set up separate accounting items for extracurricular driver salaries. Without a breakdown of payroll expenses, it was impossible for the team to analyze the cost for these services.

Non-Public Transportation

Students attending private or non-public school are entitled to transportation under the same statute and guidelines that govern public school student transportation, i.e., elementary school pupils who live more than two miles from their school or secondary pupils who live more than 2.5 miles from their school are entitled to state aided transportation. However, such transportation must meet additional requirements. One of these requirements limits the cost of transportation for non-public students to a mandated amount, which is determined by the state

each year. When the costs of transportation exceed this amount, the district must reimburse the parents for providing their own transportation to and from the non-public school. The amount of the reimbursement to parents is also restricted to the statutory amount.

In addition, parents requesting non-public transportation for their children must file application with the district by set deadlines, meet distance requirements, and have their children enrolled in a not-for-profit, non-public school.

During the year of review, 1998-99, Barnegat Township provided transportation to 98 non-public students, and paid no aid in lieu of transportation. Transportation for non-public students is primarily handled in-house or through jointures with Southern Regional.

Barnegat Township is to be commended for its efforts to transport non-public students rather than paying reimbursement aid thereby saving tax dollars.

Special Needs Transportation

Transportation for special education students in Barnegat Township is provided through joint agreements with the Monmouth-Ocean Educational Services Commission (MOESC) and Southern Regional, and through the use of in-district staff and vehicles.

Barnegat diligently assesses the services of the commission, comparing costs, fees, and the ability of the cooperative to aggressively seek out the most efficient route and district combinations. Rather than rely solely on the commission, the district utilizes the neighboring school district services as well. In addition, in-house drivers are used when it is determined that it is cost effective. This has not only saved monies, but has meant shorter bus rides for special needs students.

Vehicle Purchases

The vehicle specifications utilized by the Barnegat District for the lease-purchase of 54 passenger school buses are restrictive and discourage competitive bidding. The lack of competition is directly related to the use of vendor specifications and increases the cost of school vehicles for the district.

Vehicle Maintenance

The vehicle maintenance operation is appropriately staffed for the number of vehicles and equipment serviced. The garage is relatively well-equipped and organized. Steps are being taken to computerize the mechanical repair operation, which will enhance efficiency and improve record keeping.

Accounting Practices

As noted in the section on extracurricular and athletic transportation, the district does not budget or maintain separate salary accounts for specific driver or aide functions. Although required by the CEIFA Guidelines to delineate salaries for special needs routes, the district differentiates only between regular to and from routes and summer routes. At the time of the team's visit, there was no breakdown available in payroll for comparison cost purposes.

Recommendation:

LGBR recommends that the district begin immediately to comply with the CEIFA guidelines in the area of transportation salaries. Without this separation of expenses, it will be impossible for the district to determine the continuing cost effectiveness of district operations versus the use of commissions and private vendors.

FOOD SERVICE

The general purpose of the school food service program is to prepare and serve wholesome, nutritious meals at all schools as required by the New Jersey Department of Agriculture, Bureau of Child Nutrition.

The district's nonprofit food services program was reviewed by LGBR. Interviews were conducted with the board secretary and the food services director. The team visited each of the four school facilities, including each production kitchen. Documents relating to food service, purchasing and payroll, the Comprehensive Annual Financial report (CAFR), and the Audit Management Report for 1998-99 and 1999-00 school years were reviewed. Following the review, the team measured realistic standards against performance.

The Barnegat School District maintains a separate "enterprise fund" rather than record lunch sales and expenses within the general fund of the budget. Statutory guidelines prohibit the commingling of funds when state and or federal funds are received or fees are collected from students for meals served. Any profit that is made from the food service operation is used to defray student cost of services and/or to purchase cafeteria equipment. The following table is a comparison of operating expenses versus revenue for the school lunch operation during the 1998-99 and 1999-00 school years.

**Comparison of Food Services Operating Expenses versus Revenue
1998-99 and 1999-00**

Barnegat School District	1998-99	1999-00
Local Sources:		
Daily Sales - Reimbursable Programs:	\$0	\$0
School Lunch Program	\$131,906.35	\$132,174.50
Special Milk Program	\$0	\$0
Daily Sales Non-Reimbursable Program's	\$158,514.94	\$173,611.44
Community School (Tuition)	\$0	\$0
Special Functions	\$0	\$0
Miscellaneous	\$0	\$0
Total Operating Revenue	\$290,421.29	\$305,785.94
Non-Operating Revenue:		
State Lunch Program	\$9,075.14	\$8,966.04
National School Lunch Program	\$114,635.17	\$115,012.28
Special Milk Program	\$3,164.46	\$3,330.92
USDA Commodities	\$14,512.00	\$13,203.57
Interest	\$2,753.98	\$2,729.14
Service Organization Contribution	\$0	\$0
Operating Transfers in General Fund	\$0	\$0
Other Non-Operating Revenues	\$0	\$0
Total Non-Operating Revenue	\$144,140.75	\$143,241.95
Total Income	\$434,562.04	\$449,027.89
Operating Expenses:		
Salaries	\$171,160.00	\$181,905.26
Benefits	\$0	\$0
Repairs and Other Expenses	\$0	\$0
Supplies and Materials	\$39,312.91	\$42,964.42
Administrative Fee	\$4,500.00	\$4,500.00
Management Fee	\$20,500.00	\$20,500.00
Depreciation	\$0	\$1,841.30
Cost of Sales	\$184,406.65	\$192,964.35
Insurance	\$0	\$0
Total Operating Expenses	\$419,879.56	\$444,675.33
Net Income	\$14,682.48	\$4,352.56
Retained Earnings July 1	\$120,244.75	\$134,927.23
Retained Earnings June 30	\$134,927.23	\$139,279.79

For 11 years a private food service program has been employed by the Barnegat Board of Education. The current operator's contract was renewed for three one-year terms beginning 2000-01. This private food service contractor was the only bidder for the new contract term.

For the 1999-00 school year, the private food operator's management contract included an annual management fee of \$20,500. This fee included overhead expenses, such as area supervision, general support, accounting, purchasing, tax, legal, and other related administrative functions. The team converted the average annual cost of the management fee into a fee based on a student enrollment of 2,091, and total meals served for the year of approximately 253,784 to compute an approximate cost per meal. The analysis concluded that the management fee equated to \$.08 per meal. Proposals from other private food service providers should be

obtained which can offer annual management costs averaging \$.055 per meal. These standards are based on fees LGBR felt to be appropriate based on many reviews performed in other districts.

Recommendation:

LGBR feels that additional food service proposals should be sought to keep management fees at approximately \$14,000. The district could realize potential savings up to \$6,500.

Cost Savings: \$6,500

The management contract also included a \$940 annual leasing fee for a signage designating where the hot, cold, ala carte lines, and other offerings are located in the cafeteria. The signs remain the property of the food service company. Profits in the amount of \$139,279 have been generated from food service operations to date. This profit would adequately cover the expense to purchase signs acceptable to both the district and to the food service provider and would be a one-time cost.

Recommendation:

LGBR recommends that the district arrange with the management company for permanent signs and drop the annual fee.

Cost Savings: \$940

The food service provider operates four production kitchens. Employees consist of one food service director and 18 employees. The cafeteria facilities appeared bright and cheerful and the lunchtime operations ran efficiently. Supplemental vending machines support the school activity funds. The machines are set on timers and can be used only after school hours. Five play/café aides support the Collins and Dunfee schools lunch periods. The aides work approximately 2.5 hours each day. In reviewing the annual costs associated with these services, the costs seem reasonable for the services provided.

Recommendation:

By negotiated agreement, teachers who provide cafeteria supervision more than once a week are paid \$20 per hour. Barnegat administrators should continually monitor the schedules of teacher duty periods and rotate schedules accordingly. In doing so, compliance with the negotiated agreement will be met and additional payments for cafeteria duty are kept to a minimum.

During LGBR's visit, the lunch prices were \$1.50 in the elementary school and \$1.60 in the middle school with \$.30 for milk. These prices had been in effect for one year. The lunch prices during the 1997-98 school year were \$1.40 in the elementary and \$1.50 in the middle school. The team compared the 1999-00 lunch prices of the four districts in the comparative analysis section of this report. These costs ranged between \$1.25 and \$1.80 in the elementary schools and \$1.25 and \$1.95 in the middle schools.

State guidelines allow school lunch prices to be charged to students at a maximum of \$1.85 per lunch at the elementary and middle school levels.

In looking at the two comparison years, the Barnegat schools food service program was self-supporting. In addition, the ratio of play/café aides to students has been kept to a minimum, thereby minimizing additional salary costs. LGBR feels the district should be commended for its actions in this area. School lunch prices increased \$.10 beginning with the 1998-99 school year. Therefore the team does not suggest the consideration of raising lunch prices to the current state guideline maximums.

The Barnegat School lunch program served 146,844 meals during the 1999-00 school year. The following table depicts the total meal breakdown for the past two years.

	1988-99	1999-00	Difference	% Increase from 1998-99 to 1999-00
School Lunch Program				
Paid	\$86,873	\$90,407	\$3,534	4%
Reduced	\$18,198	\$18,175	\$23	0%
Free	\$36,707	\$38,262	\$1,555	4%
Total Lunches	\$141,778	\$146,844	\$5,066	4%

As indicated in the chart above, paid lunches increased by 3,534 meals, or 4%, and reduced and free lunches increased by 1,532 meals, or 4%.

The following table compares major expenses associated with the district's food service operation to total income. These dollar values are also shown as percentages. The percentages are compared against percentages of benchmark food service cost ranges provided by a New Jersey food service company.

1999-00 Comparison of Food Service Expenses versus Income

Barnegat	1999-00	% Cost Range vs. Income	Market Rate
Total Income	\$449,027.89	100%	100%
Salaries and Benefits	\$181,905.26	41%	40%-45%
Supplies and Materials	\$42,964.42	10%	4%-5%
Cost of Sales	\$192,964.35	43%	39%-45%
Repairs/Other Expenses	\$0.00	0%	2%-5%

The analysis of the above table indicates that total major operational costs for Barnegat food services were within normal market rate ranges for all categories, except supplies and materials.

In reviewing the details of the supplies and materials category for the 1999-00 school year, it was noted that the district spent \$10,900 for a compressor in September, 1999. This item, which should have been reported in the repairs/other expenses category, was shown in supplies and materials.

Recommendation:

The district should be commended for providing the district with a self-sustaining food service program under a private management company. The district should continue to seek competitive managerial contracts in the future to increase productivity and earnings.

In the 1998-99 Independent Auditor's Review, the report cited the fact that the district's reimbursement voucher contained an over-claim of 18 meals. The report concluded that this was due to an immaterial transposition error. The team reviewed the auditor's reports for the 1996-1997 and the 1997-1998 school years and noted that no findings were present. The team concurs that no additional recommendation is warranted.

III. COLLECTIVE BARGAINING AGREEMENT

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason, we present those issues subject to collective bargaining agreements separately in this section.

MAINTENANCE AND CUSTODIAL

The board has negotiated, but not made productive use of, a clause, which allows the district to assign custodians hired after November 30, 1995 to a shift other than Monday through Friday. While temporary shift changes are made based on building usage, overtime costs could be reduced if there was a permanent shift of Tuesday through Saturday.

The board should also consider negotiating a Tuesday through Saturday shift for a general maintenance worker and the warehouseman, further reducing overtime expenditures.

The savings that would be realized by a Tuesday through Saturday shift for three maintenance/custodial employees would be approximately \$52,000.

Recommendation:

The district should consider alternative custodial assignment shifts as provided in the negotiated agreement.

Health Benefits

The district belongs to a managed care health plan. The approximate annual cost of the entire health benefits package for the Barnegat schools is \$2,453,330. The medical coverage is estimated to cost \$1,712,630. The prescription plan is estimated to cost \$430,200 and the dental plan are estimated to cost \$310,500.

The review team conducted a cost comparison of the district's plan to the State's Health Benefits Plan (SHBP). The analysis indicates that if the district is willing to negotiate plan changes by increasing employee contributions, which limit the board of education's costs, the district could save money using the state's rates for their health plan provider. The district could save an estimated \$154,000 if they switched to the plan offered through the State of New Jersey for health benefits. The savings could be increased by \$215,100 if employees were required to pay 50% of prescription costs. The dental plan was estimated to cost \$310,500 in 2000. If the district were successful in negotiating a 50% premium co-pay with its employees, the district would save an estimated \$155,300 in premiums.

Recommendations:

LGBR encourages the district to compare the costs and the coverage of its current health benefits coverage and to consider switching to the SHBP.

Potential Cost Savings: \$154,000

LGBR recommends that the district negotiate a 50% premium co-pay for the prescription plan.

Potential Cost Savings: \$215,100

The district is encouraged to negotiate a 50% premium sharing for dental benefits.

Potential Cost Savings: \$155,300

ADMINISTRATORS' CONTRACT

The last administrative contract reviewed by LGBR was the "Agreement between the Barnegat Board of Education and the Association of Barnegat Administrators" for the school years 1996-97 through 1998-99. This contract represents principals, vice principals, the director of special education, and the supervisor of basic skills. Board of education meeting minutes (March 22, 1999) extended the administrators' contract with a 3% salary increase for school year 1999-00. The contract includes the usual provisions for grievance procedures, employee rights, evaluation procedures and personnel files, etc.

Sick Leave

- Twelve days for 12-month employees (no article for 10-month employees, therefore, it is assumed that all administrators have 12-month employment).
- Accumulated year to year with no maximum limit.
- Reimbursement for sick leave is based on one-half (1/2) of accumulated days up to 100 days at the rate of \$100 per day with a cap of \$5,000.
- Unused personal days (three per year) accumulate as sick leave.

The review team commends the district for establishing a reasonable limit on sick leave payments at retirement.

Vacation

- Administrators hired before July 1, 1996 have 20 vacation days per year.
- Administrators hired after July 1, 1996 have graduated vacation allowances up to maximum of four weeks after three years.
- Vacation is prorated upon termination prior to the end of the first year, or in the event of a mid-year termination or later.
- No language exists regarding accumulated days or maximum limit.
- No language exists regarding termination or retirement payout of unused vacation days.

Recommendation:

The team recommends that the district add contractual language that specifies the maximum number of vacation days that can be accumulated and the method of payout for unused vacation days at separation from service or retirement. A standard practice is a carryover of one year's value of vacation days, which caps the number at double the annual allotment.

Temporary Leaves of Absence

The agreement contains language regarding personal leave (three days), bereavement leave (five days immediate family and two days for aunt, uncle, nephew, and niece), family illness (five days for serious illness), marriage/honeymoon (five days), and attending wedding of immediate family member (one day).

Recommendation:

Compensating staff members five days for the purpose of marriage and honeymoon, and up to one day for the purpose of attending the marriage of an immediate family member is a unique contract provision. This seems extremely generous to LGBR. Generally, this type of activity is planned well in advance and it seems reasonable that vacation time should be used for the purpose of marriage/honeymoon. Personal or vacation days are available to be used for immediate family member marriage. LGBR recommends that this provision be negotiated out of the administrative contract.

Health Benefits

- The board pays full premium for the administrator for full-family coverage including dental up to \$1,000 per family member.
- The board reimburses the administrator up to \$100 for optical expenses.
- This article allows the association to reopen negotiations regarding this area only if the board negotiates a change with other unionized groups.
- There is no language regarding retirees free participation in district health insurance coverage plan.

Working Conditions

There is no specification as to days of employment as in teachers' contract, generally absence of this language means that administrators follow the teachers' schedule regarding holidays during the school year.

Longevity

Article VII, B states "Longevity increments shall be added to each administrator's annual salary as specified in the addendum." Listed on Salary Guides Addendum as follows:

10 years - \$1,000
15 years - \$1,250
20 years - \$1,500

Recommendation:

It is recommended that the district negotiate the elimination of extra longevity payments to employees on the basis of time served. Additional compensation for time served is unwarranted. Employee compensation should be on the basis of productivity. If this longevity clause were in effect based on the years of experience of the present administrative staff, this recommendation would result in a saving of \$53,250.

Potential Cost Savings: \$53,250

Other

- Tuition and books reimbursement has an annual cap of \$1,500.
- Travel reimbursement is at the IRS rate for in-district and out-of-district travel.
- Dinner reimbursement of \$15 for evening school functions or boards meetings is provided.
- The board of education pays association members' professional dues.

Note: LGBR believes that the recommendations above should also be applied to the contracts of the central office administrators.

TEACHERS' CONTRACT

LGBR reviewed the "Agreement between the Barnegat Education Association NJEA/NEA and the board of education for the years 1997-98 through 1999-00. This contract represents certified personnel; maintenance, grounds, and custodial personnel; food service personnel; secretaries and clerical employees; instructional aides, library technicians, and playground/cafeteria aides; bus drivers, transportation aides, and regular substitute drivers; attendance officer; and, head night custodian. The contract specifically excludes all central office personnel.

Sick Leave

- All 10-month employees get 10 days and all 12-month employees get 12 days.
- Unused sick leave accumulates with no maximum limit.
- Unused personal days (three) accumulate as sick leave.
- Reimbursement for unused sick leave on retirement is as follows:

Teachers.....	\$30
Secretaries and Custodians.....	\$22
Cafeteria Workers.....	\$18
Instructional Aides and Library Technicians.....	\$22
Playground/Cafeteria Aides.....	\$18
Drivers/Bus Aides.....	\$18

Recommendation:

The reimbursement rates seem reasonable.

Temporary Leaves of Absence

Allowable days for all employees are the same as for the administrators as listed above.

Recommendation:

LGBR feels that the Barnegat Board of Education should attempt to negotiate the same contract changes regarding marriage/honeymoon, etc. as was recommended in the administrators contract section above.

Longevity and Differentials

Teachers - Listed on Salary Guides (Schedule A) as follows:

After 10 years - \$500	After 15 years - \$1,000
After 20 years - \$1,300	After 25 years - \$1,600

Office Personnel Salaries (Schedule B) as follows:

After 5 years - \$400	After 10 years - \$600
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Differential: Principal Secretary - \$400

Note: Attendance Officer salary listed on Schedule B

Maintenance, Grounds, and Custodial Salaries (Schedule C) as follows:

After 5 years - \$200	After 10 years - \$300
After 15 years - \$400	After 20 years - \$500

Differential: Black Seal - \$400

Shift Differential - \$.25 per hour

Lead Custodian - \$3,000

Night Lead Custodian - \$1,400

Instructional Aides and Library Technicians Salary Guides (Schedule D) as follows:

After 12 years - \$500	After 20 years - \$1,000
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Transportation Drivers Salary Guide (Schedule E) as follows:

After 10 years - \$150	After 15 years - \$300
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Note: Longevity increments and differentials are added to each employee's annual salary as specified in the salary schedules.

Recommendation:

Longevity – See comments above concerning LGBR's position regarding longevity.

Secretarial Working Conditions

- 7½-hour day inclusive of one-hour lunch and two 15-minute breaks for a 37½-hour week for school year.
- Summer working hours same as central office secretarial/clerical staff, starts when schooling ends for students in June through Labor Day.
- Follow school calendar for days off; can be requested to work Easter and Christmas vacation time by principal.
- Vacation days and accrual same as central office secretaries.
- Contract has article on compensation for unused vacation time but no language regarding method of payout and rate.

Recommendation:

The team recommends that the district negotiate contract language regarding method of payment and rate to agreement for unused vacation time payout at retirement for building secretaries.

Other

- Teachers may leave the building during their lunch period.
- Teachers receive \$20 per hour for field trips that may extend beyond the teacher's regular workday.
- Tuition reimbursement is limited to \$700 per school year and summer for teachers.
- Course reimbursement has an annual limit of \$250 for office employees.

CENTRAL OFFICE SUPPORT STAFF

Negotiated agreements offer school districts opportunities for future savings. Contract improvements occur in increments through the process of redefining policies to be equitable and cost effective. Barnegat's central office secretarial support staff followed the details of a policy regulation which was adopted in February, 1997. Any changes recommended should be considered in future policy modification.

Summer Hours (Employees hired before January 1, 1997)

Summer hours begin the first day after the official close of school and ends with the Labor Day holiday. Summer hours are five and one-half hours each day, equaling 27.5 hours each week, exclusive of lunch and break time, or 7:00 a.m. to 12:30 p.m.

Summer Hours (Employees hired after January 1, 1997)

Summer hours are a minimum of six hours each day, equaling 30 hours each week, exclusive of lunch and break time.

Recommendation:

LGBR understands the district's concept of summer hours differing from those of the school year. However, summer is a critical time for preparation of the upcoming school year. To effectively conduct the district's \$30,000,000 operation, LGBR recommends that future negotiations seek to incorporate a staggered schedule for building and central office employees so the office is open during normal business hours.

Personal Days

The central office staff receives three personal days per year, which can be accumulated as sick days if unused at the end of the year.

Recommendation:

LGBR recommends that the district revise policy so that employees use personal days during the year or forfeit the unused days.

Vacation Days

Vacation schedule entitlements for all 12-month employees hired prior to July 1, 1996 include the ability to carry over to the following year up to one year's vacation time. Employees leaving the district shall be compensated for all unused vacation time. The calculation of the per diem rate is $1/240^{\text{th}}$ of the employee's annual salary.

Vacation entitlement: Barnegat central office support staff.

10 months – 3 years	13 days
4 – 5 years service	15 days
6 – 7 years service	16 days
8 – 9 years service	17 days
10 – 11 years service	19 days
12 years and over	20 days

Employees who begin employment after July 1, 1996 have the following vacation schedule:

1 – 4 years service	2 weeks
5 – 9 years service	3 weeks
10 years service	4 weeks

Health Benefits

Employees who work 20 hours per week qualify for benefits the same as other employee groups. Rules adopted by the State Health Benefits Commission effective October 16, 1996, permit school districts to set a higher standard before an employee is considered "full-time" and eligible for benefits.

Recommendation:

It is recommended the district review this issue and consider implementation of higher work hour standards for benefit eligibility for future new hires.

Sick Days

At retirement, district employees are reimbursed at \$22 per day for each day of unused, accumulated sick leave.

Recommendation:

LGBR recommends that the district negotiate a maximum number of accumulated sick days for retirement reimbursement purposes.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

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